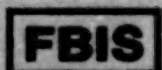


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**15 January 1980**

# **West Europe Report**

**No. 1527**



**FOREIGN BROADCAST INFORMATION SERVICE**

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## PREMIER SEES IMPORTANT DUTCH ROLE WITHIN NATO

The Hague ALGEMEEN NEDERLANDS PERSBUREAU in English 20 Dec 79 pp 1, 7-9

[Excerpts] The Hague, 19 December--The Dutch stance adopted at the last week's NATO meeting in Brussels will enable Holland in accordance with its wishes to play an important role in the efforts to arrive at arms control, Prime Minister Dries van Agt said here today.

Replying to criticism voiced by most parties during a crucial Second Chamber debate on the position adopted by the government at the NATO meeting, Mr Van Agt said the government had done as much as possible to press Dutch objections. If it had gone further it would have been left on the sidelines in the alliance.

"That would have achieved nothing. We would not have been able to function in NATO in the future, if we had increased our reservations," Mr Van Agt commented.

Holland would then have become an outsider "in a process which is of vital importance to world peace," the new procedure which is being developed for SALT III, he said. This was a reference to Dutch membership of the special group through which the United States would involve its allies in the negotiations with the Soviet Union.

He said he could reconfirm "with all his heart" that the government would continue to serve the cause of arms control, as asked earlier by CDA floor leader Ruud Lubbers.

## Confidence

The Prime Minister told a packed house he was awaiting the Chamber's judgement "with full confidence."

The previous government (headed by Labor leader Joop den Uyl) could not have achieved other results. "There was nothing more we could do within our loyalty towards the alliance," he said.

Mr Van Agt said the Dutch government had achieved the following points:

- no increase in the role of nuclear weapons as a result of modernization,
- a reduction in the number of nuclear warheads,
- the establishment of the special group besides the "high level group" which has studied the disarmament aspects of modernization,
- permanent (no longer rotating) membership of NATO's Nuclear Planning Group,
- the study of putting less stress on short-range nuclear weapons, and
- clear attention for the "nil option" (no deployment of new nuclear weapons at all in exchange for a reduction of the Soviet Union's medium-range nuclear arms).

The Premier said that as a result of the government's refusal to decide already now on the deployment of cruise missiles in Holland, it had not become isolated within NATO.

The other NATO countries had accepted this stance, though they would have preferred a different Dutch position, he said.

"Holland's ties with NATO have not been doubted by any of the allies. In all capitals we have visited Holland is still regarded as a good and reliable ally," he said.

Mr Van Agt said that although the Cabinet acknowledged the need to respond to the SS-20's, it wanted higher priority given to arms control. Broad-ranging disarmament proposals made by NATO last week resulted partly from Dutch initiatives.

The government had made its reservations clear through a statement addressed to the Brussels meeting by Defense Minister Willem Scholten, and in a private annex to the official communique. The only commitment the Netherlands had made was to take a decision at the end of 1981 on stationing new weapons on Dutch soil, he said.

#### CDA's Position

Before the government addressed the Chamber CDA floor leader Ruud Lubbers had said his party was not yet in a position to pass its final judgement over the government's handling the missiles issue.

He said this after showing a great deal of understanding for the way in which the government--without rupturing the alliance--had stuck to its own position, which he felt might be the beginning of a changing trend within NATO.

He criticized a passage in the annex to NATO's integrated decision document which says that the Dutch Government is not able to decide on deployment...because, Mr Lubbers said, this almost sounded like heart-felt regrets.

The real situation was that the Netherlands did not want to take a decision now in view of the importance of arms control and aimed at "zero option."

He also described as unfortunate the picture conjured up by saying that the Netherlands was now sitting in the "waiting room."

This comparison made it look as if the Netherlands was on tenterhooks to join those who have agreed on siting the missiles on their territory.

The true position was that the Netherlands was sitting in the negotiating room with a keen desire to contribute inventively and creatively to arms control.

Mr Lubbers said his party did not want a waiting room, but action which gave priority now to curbing the arms race whilst preserving security.

He hoped the government could as yet offer his party clear perspectives in that direction because this was indispensable for it to back the government's policy.

"Make no mistakes about this, we do want to support you, but you must make it possible for us," he added.

The CDA leader wondered whether the limits of being uncommitted were not surpassed if the Netherlands contributed to the so-called infrastructure fund from which the infrastructural cost of siting the missiles would be paid.

He explained that the 10 CDA dissidents who voted for the opposition Stemerink motion on 6 December had done so--contrary to the CDA starting points--mainly because this motion opposed limited production.

It had later appeared that this distinction was only of hypothetical importance compared with the far more fundamental difference with the other NATO member states.

Mr Lubbers said it was clear that his party was--and still is--unhappy with the NATO communique. But it was only fair here to take into account the choice with which the Cabinet had had to make.

If it was really true that by turning down the communique the ministers would have barred the Netherlands from further nuclear decisions and arms control talks within NATO, it was difficult to criticize them.

#### CPN View

Communist party spokesman Joop Wolff said the government's stand and the NATO decisions showed that the will of the United States put more weight in the scales than the will of the Dutch Parliament.

He lashed out at NATO Secretary General Joseph Luns claiming that he (Mr Luns) misused his official NATO role to rouse public feeling in the Netherlands.

He felt the CDA should raise its voice against such tactics by a man who was spiritually far removed from the Netherlands.

The Communist pleaded for a reduction of nuclear arsenals by both NATO and the Warsaw Pact and for an expansion of Holland's NATO reservations.

CSO: 3120



## GOVERNMENT WINS, DISSIDENTS GIVE IN

The Hague ALGEMEEN NEDERLANDS PERSBUREAU in English 20 Dec 79 pp 1-4

[Text] The Hague, 20 December--The government, aided by former dissidents from within its own ranks, today survived a parliamentary onslaught on its qualified support for modernization of NATO's European-based nuclear missiles.

All members of the Christian Democratic Party (CDA), including 10 who had voted previously against the government on the issue, closed ranks to give Prime Minister Dries van Agt a surprisingly comfortable victory at the close of a crucial debate.

By 81 votes to 66, the Second Chamber threw out a motion submitted by the opposition Labor and D'66 parties. This stated that the Netherlands could bear no responsibility for a decision taken collectively by NATO on 12 December to install new U.S. weapons in Western Europe.

The defeated Stemerding-Brinkhorst motion said "the Netherlands cannot at this juncture assume responsibility for the NATO decision to deploy these new nuclear weapons and their production;

"And requests the government to inform the governments of the other member-states of this standpoint."

It described the NATO decision as "contrary to the need for mutual arms control and (said it) may lead to a non-desirable Euro-strategic balance."

## Resignation Threat

Mr Van Agt, for whom the outcome was a notable personal triumph, had indicated he would resign if the motion was adopted. He had told the Chamber that this government had "insurmountable objections" to any motion which did not support the government's handling of the modernization issue or was directed against NATO.

However, when the marathon debate ended at 2:40 a.m., his Cabinet won the backing of the CDA, the junior coalition Liberal Party (VVD) and small right-wing groups. Three M.P.'s were absent.

The 10 dissidents, all but one Catholic from the CDA's staunchly-Protestant Anti-Revolutionary wing, voted 2 weeks ago in favor of a Labor-D'66 resolution calling on the government not to agree with any NATO decision to produce and deploy the new missiles.

However, with the government's future at stake today they chose at the end of the debate to keep it in power.

CDA floor leader Ruud Lubbers said that although the party was unhappy about certain aspects of government policy, ministers had achieved some success in the field of arms control.

Fourteen NATO states, including the Netherlands, decided unanimously in Brussels to install 572 Pershing-2 and cruise missiles in "selected" West European countries. They coupled this with an offer to the Soviet Union to begin a new round of East-West disarmament negotiations.

At the same time the Dutch Government distanced itself from its allies by announcing it would decide only in 2 years' time whether or not to take the 48 cruise missiles allocated to it under the NATO plan.

#### Responsibility

The central question in the debate here was whether the government was jointly responsible for the alliance's decision to station weapons outside the Netherlands.

Mr Van Agt, in a 2-hour speech, said the Netherlands could not have such a responsibility. Each of the 14 NATO states involved--all alliance members except France--had the sovereign right to decide whether or not to provide missile bases on their own territory.

The Premier added that if the Netherlands had gone any further in its opposition to the alliance's program it would have forfeited its influence on NATO. "We would have become a devalued ally," he commented.

However, opposition leader Joop den Uyl countered that the Cabinet should never have gone along with the NATO decision after Parliament voted 2 weeks ago against missile production and deployment.

Spokesmen for all major parties relentlessly criticized Mr Van Agt during last night's debate, with opposition M.P.'s accusing the Cabinet of helping accelerate the arms race.

Mr Van Agt said the government had obtained the best results possible without harming the country's ties with NATO. Withholding of parliamentary support for this policy would have caused the Cabinet "insurmountable difficulties," he added.

The Labor-D'66 resolution amounted to a motion of no confidence in the government political sources said, since it asked the Cabinet to disagree with a decision it had endorsed in Brussels.

#### Motions

In all, five motions were submitted during the debate and they were all rejected.

A motion, sponsored by Pacifist Socialist Party (PSP) floor leader Fred van der Spek, stating that the Netherlands is not bound by the NATO decisions and that it cannot help implementing them, gained the support of the PSP, Radical PPR and Communist parties.

The same parties also backed a second Van der Spek motion which strongly condemned NATO's attitude towards the Dutch reservation as to siting the missiles on Dutch soil.

The same three were also the only parties to support a motion submitted by Radical IIR member Henk Waltmans, stating that the Chamber cannot bear responsibility for Holland's participation in the NATO decision.

A second motion by Dr Waltmans, calling on the government to open consultations with Norway, Denmark and Belgium to effectively reduce the role of nuclear weapons, was backed by the same three parties, plus D'66 with the exception of Dr Laurens Brinkhorst.

This last motion was the only one against which the government had raised no "insurmountable objections" although Premier van Agt had advised the Chamber not to adopt it.

The Premier argued that the motion, if carried out, would lead to undesirable group formation within NATO.

#### CDA Voting Reasons

Explaining why his full party was going to vote against all the motions submitting during the debate, CDA floor leader Ruud Lubbers said the nuclear arms debate had been turned into a political confrontation which had come to overshadow the real issue.

He said it had become a debate on the acceptability of the Cabinet's policy. His party felt the Cabinet had done a great deal to serve the Dutch cause within the alliance and had stuck to its views.

The Christian Democrats did not go along with an interpretation that point 7 of the NATO communique meant Holland was assuming direct responsibility for the decision to site 572 nuclear missiles in Europe.

Mr Lubbers said this did not remove his party's disappointment at the lack of a tougher Dutch stand to ensure that its position was expressed "even more clearly" in the NATO communique.

The CDA felt that the Cabinet's arms control policy was one of growing intensity and despite the disappointing experience of Brussels, Mr Lubbers urged the Cabinet to keep up this rising trend.

#### Labor Line of Attack

Key issue in the debate had been whether Holland carried joint responsibility for NATO's modernization decision.

According to Labor leader Joop den Uyl this was the case as appeared from the full text of the NATO communique and from a statement by Defense Minister Willem Scholten, making a clear reservation on siting the new weapon systems on Dutch soil, but not on the modernization decision.

Moreover, the statement made by Mr Van Agt in the Second Chamber on 12 December contained no passage showing that the Dutch Government had not accepted joint responsibility in Brussels for the unanimous NATO decision.

The Labor leader accused the Premier of having initially played down the importance of the NATO communique and of having evaded direct questions on this point in Parliament.

He contested Mr Van Agt's assessment that the Netherlands would have lost influence on future decisions in NATO if it had gone further in its demands.

Mr Den Uyl felt this was a gross underestimation of the political insight of the NATO partners. The Netherlands was fulfilling six nuclear tasks, was a permanent member of the Nuclear Planning Group and was a critical, independent, but also a loyal ally.

#### Dilemma

The Prime Minister would have clashed openly with the CDA dissidents if he had admitted that the Netherlands bore full responsibility for NATO's modernization decision, but denial would have led to a head-on collision with the Liberal VVD party.

Under the circumstances he solved this dilemma by giving a complex explanation that the NATO decision was taken by 14 sovereign states; each of which decided independently whether or not to go along with committee recommendations.

NATO was not a supra-national body and every country had the right to accept or turn down the recommendation of NATO's high-level group to site 572 missiles in five countries--West Germany, Italy, Britain, the Netherlands and Belgium.



The Premier said that the Netherlands had not consented to the deployment of the new weapons in other countries. There was no "yes" to be said, according to Mr Van Agt.

#### Dissidents' Comment

Mr Hans de Boer, one of the 10 CDA dissidents, said in a radio interview after the debate he had voted against the Stemerding-Brinkhorst resolution because the cause of nuclear disarmament would not have been furthered by toppling the Van Agt Cabinet.

Holland's NATO partners would not have changed their plans, he said, adding that he was "not happy" about the outcome of the debate.

Mr De Boer said party politics had not played a role when he made up his mind how to vote after Premier Van Agt had raised insurmountable objections to the Stemerding-Brinkhorst motion.

#### Demonstration

More than 400 people marched on the buildings of Parliament last night to protest against the modernization of nuclear weapons in Western Europe.

They were welcomed by some 100 picketers already outside Parliament and were addressed by Mr N. Schouten, of the national "Stop the Neutron Bomb" action group.

CSO: 3120

## SOCIALIST PARTY AND UNION DISAGREE ON GOVERNMENT BILL

## Cools Defends Bill

Brussels LE SOIR in French 13 Nov 79 p 2

[Text] Andre Cools is challenging FGTB [General Federation of Labor of Belgium], his political party's union. He is defending the appropriation bill pertaining to budget austerity. Below will be found an outline of Saturday's broadcasted controversy which opposed him to Jean Gayetot, secretary of the Walloon Interregional. There is disagreement within the socialist movement. That such a disagreement should occur during the course of the socio-economic events of the current government era had come to be expected.

Cools--socialist deputy, mayor of Liege's red belt and chairman of the Socialist Party--is thus taking chances with at least part of his constituency. These past few years, the leader of Belgian social democracy has seldom acted this way. It took real courage on the part of the political man.

It was Simonet who told use once during a governmental crisis--the comment is not recent--, at a time when the fiery Flemalle native was throwing himself into the fray of a negotiation with a particularly aggravating CVP [Christian Social Party]: "Andre Cools may have several faults, but we most certainly cannot refuse him the virtue of courage..."

This time, Andre Cools believes that socialist unions are going too far in their opposition to the reorganization and recovery plan drawn by the Martens-Spitzeels government and he does not hide the fact. He even seems ready to accept the skirmish, if not the fight. Repercussions for him his party and even Belgian politics could be considerable.

We must nevertheless remember that in 1977, it was harassment from a series of weekly strikes which exasperated Prime Minister Leo Tindemans to the point that a political thrust was finally enough to topple a government in which socialists were not represented. Now, authorized FGTB spokesmen are

implying that unions could resume the series of work stoppages which had such a sterilizing success 2 1/2 years ago. However, this time the opponent would be somewhat different.

Regular discussions among the government, unions and employers concerning the organization and division of affluence have for some time now produced nothing more than growls. Not too long ago, this system was admired and envied by neighborhood democratic countries. Yet, it consisted in making the state, and therefore the taxpayer, pay the price of the agreement between working world and holders of production tools. In short, everybody was satisfied. However, the era of sacrifices has opened and with it the pressure of selfish interests asserts itself. When it involves getting their funds unreservedly on the line, the employers refuse. When they recognize a threat to their acquisitions the unions are up in arms. The state has no longer the means for the liberalities of the past.

Cools is aware of this. In this case, his courage is the only affluence left.

The near future will tell if on either side--on the part of the PS chairman or the FGTB--words do not exceed thoughts.

To justify his firm and constant support of the incumbent government, Andre Cools asserts that the only alternative to the current policy would be a "rightist government." He adds: a rightist government "with muscle." Is he not trying to scare himself?

This attitude could be the counterpart of certain socialist analyses which see friendly unions being prey to tireless and brutal extreme left influences, ever ready to urge a strike, solely intent in creating disorder and discontent, overthrowing structures and implicating society. Is not this vision excessive? However, should open opposition become confrontation, words would certainly change meaning and the force of the deeds would be dangerous.

#### FGTB Opposes Bill

Brussels LE SOIR in French 13 Nov 79 p 2

[Text] PS support of the government's appropriation bill and FGTB's probable "no" to this social agreement bill gave rise to some uneasiness within the socialist movement--between the party and the union--, an uneasiness which became apparent over the weekend in the socialist leaders' statements. PS Chairman Andre Cools in particular called the union's reaction "selfish."

Facing Jean Gayetot, secretary of the Walloon Interregional, on RTBF [Belgian Radiobroadcasting and Television System], Cools voiced the regret that the Interregional could not support this agreement bill. The PS chairman listed the positive social and economic measures contained in that draft bill. He stressed in particular the socialist ministers' influence in changing Alfred Califice's and Gaston Gaens' initial proposals before they even reached the

discussion table. He also noted that the Belgian government was the only one to propose shortening the work week.

As for Jean Gayetot, he emphasized the sacrifices imposed upon the workers. He compared in particular the real nature of wage moderation to the less imperative nature of a shortened work week.

Gayetot also admitted that the various unions might feel differently, but he asserted that should measures be determined, they would be comprehensive, national and interprofessional, in the framework of workers' solidarity.

At the end of the broadcast, Cools stressed how important it was for the government to face the current situation, while Gayetot expressed the hope that socialist ministers would not be taken in by a social regression process without, at least, obtaining satisfaction on the regionalization issue.

#### PS Supports Bill

Brussels LE SOIR in French 13 Nov 79 p 2

[Excerpts] Meeting while Chairman Andre Cools is on a mission in Yugoslavia, the bureau of the Socialist Party reviewed the first reactions of the party's federal assemblies which are currently being held to study the content of the appropriation bill. All the federations having already expressed their opinion stressed the need for the socialist ministers to conform strictly to the conditions set during the last Brussels Convention for the pursuit of governmental participation.

During this meeting, the bureau emphasized once again the socialists' desire to push forward "at equal pace" work pertaining to the appropriation bill and to state reform. On the latter issue, the bureau regrets that work by the Senatorial Commission for Institutional Reforms has not yet reached cruising speed.

6857

CSO: 3100



## UNION RETICENCE HAMPERS GOVERNMENT'S STATE REFORM

Brussels LE SOIR in French 10 Nov 79 p 2

[Article by P.L.: "Union Reticence Reduces Mr Martens' Room for Maneuver"]

[Text] Last Monday, Mr Andre Lagasse (of the FDF) expressed the opinion that one could, if one wanted to, carry out the second phase of the state reform in the time agreed upon, that is, by next 1 January. On Tuesday, Mr Paul Vanden Boeynants, president of the PSC, declared: "That is actually physically impossible." On Wednesday, Mr Robert Vondekerckhove (of the CVP), chairman of the competent Senate committee, stated that the schedule mattered little. Well then, is it or isn't it possible to keep to that schedule? Is this matter important or not?

In any case, what is certain at the present time is that the "parallelism," the "simultaneity" between the passage of the government's socioeconomic measures and the passage of the institutional reforms will seem more and more like a dominant constraint on the political situation.

What exactly does this demand for parallelism signify? Already last year, under the Tindemans government, when the chamber's committee on reform was considering the draft bill to implement the Egmont pact, the PS and FDF demanded a simultaneous vote on that bill and on the program-law. The Socialist Party was not about to incur the displeasure of its mutual insurance associations by approving a series of fairly nonsocialist measures without obtaining compensations with regard to government reform, and especially without being certain that the CVP would keep its commitments and that the government would remain in place. In fact, the socialists had no reason to displease their grassroots level to have austerity measures passed that another government, possibly a center-right government, would benefit from in case of a [European] community obstacle.

The reasoning was similar to that of the FDF, in which the concern was not to ratify concessions without concrete counterconcessions in the area of reform.

The situation is scarcely different today. State reform is being considered by a Senate committee, while the government is presenting a vast draft program-law. To be sure, unlike last year, the social colleagues were consulted at length this time, and there is no doubt that the tensions between the trade union movement and the government majority were successfully reduced. But the fact remains that the probable "no" of the Walloon FGFB to the government's economy program, plus the clear reservations indicated by the CSC, are such as to make the position of Messrs Andre Cools and Guy Spitaels, as well as that of Mr Alfred Califice, very uncomfortable.

The PS in particular is faced with a dilemma. The results of the last national or European elections hardly encourage it to enter elections and thus kick over the traces. To the contrary, it cannot long overhang its base and more generally a Walloon left that is finally not as divided at election time as it appears to be. In the CSC national committee, the Walloon federations were equally unanimous, with one exception, in voting against the draft social agreement. That sufficed to place the Walloon Christian Democrats in as difficult a position as that of their socialist colleagues.

In short, the PS and the Christian Democrats see their room for maneuver being considerably reduced. Thus there is a risk of a rapid heightening in their concern over a parallel approval of the institutional reforms and socioeconomic measures, the only means they have ultimately of not losing face.

One might as well say that Mr Wilfried Martens' task in this matter will not be facilitated. Harassed on his Flemish wing by a CVP president who is becoming more and more openly critical regarding the governmental accords, the prime minister is going to see the Walloon and French-speaking wing of his coalition also harden its tone. This time, one may well wonder whether he will still long be able to reconcile matters that are becoming less and less reconcilable.

The tactic adopted by Mr Martens up to now to succeed in this political performance consisted above all in moving fast, in confronting his adversaries with the fait accompli of his governmental actions. There is an impression today that the prime minister is trying to get his second wind. He has had to present his program to the Parliament. The texts he is submitting to the Chambers are less and less clear-cut, and increasingly sibylline. Even more serious for him is the fact that he is largely losing control over operations because the large governmental projects are in the hands of Parliament.

In terms of institutional reforms, about the only thing he has exclusive control over is the completion of the first phase of the reforms, that is, especially the installation of the regional and community ministers. Now, it seems that in this regard the government itself is experiencing difficulties in finalizing this dossier. Could that also be a sign that it is experiencing some difficulty in getting that second wind?

## VU OPPOSED TO STATIONING OF NUCLEAR MISSILES

Brussels LE SOIR in French 10 Nov 79 p 2

[Article by Dv: "No More Missiles on Our Territory"]

[Text] Our territory must be preserved from the stationing of medium-range missiles. In any event, a decision cannot be taken before there is a broad parliamentary debate on the subject. If the government shirks its obligations, the Volksunie will try to stir up such a debate through interpellations.

Arms traffic and production must be controlled through nationalization. There too, the requisite parliamentary initiatives will be taken so as to be able to set up a parliamentary committee to control that sector.

That is the essence of the statement made Thursday afternoon by the president of the VU, Mr Vic Ancliaux:

"The VU wants to make a conscious effort to espouse the ideal of the Front-ists once again: no more war ever again. In fact, the party rejects the use of violence to solve conflicts. As for NATO, the VU continues to support that organization's defensive nature. Now, the stationing of medium-range missiles is, in our opinion, of a strategic, aggressive nature. We on the contrary desire a gradual reduction in the armaments of the two major military blocs.

"The decision that Belgium will take is very important. In effect, it influences the attitude that West Germany and the Netherlands will take. That is why a broad debate is necessary. Other parliamentarians think as we do in their parties. We shall attempt to obtain their support in Parliament, because the matter is extremely important."

That, inter alia, is what the VU president added. He was asked: "But if the armament plants were to be located in Flanders, what would your position be then?"

"The same," remarked Mr Anciaux. "Moreover, you cannot be unaware that the FN has division in Limbourg and that the arms traffic is being effected via Ostende and Zeebrugge. Our country is assuming what is apparently not an enviable role in the production and delivery of arms in the world. Its exports have gone from 4.4 billion [Belgian francs in value] in 1973 to 11 billion in 1978. As for second-hand arms, our country is assuming an increasingly preponderant role in their export, doing so under the most diverse designations: demonstration weapons, scrap iron and even medicines. It is high time that all this is put into some order."

He concluded as follows: "The government subsidizes the arms industries in many ways. And all that is done under the pretext of safeguarding employment. Isn't it high time to think about converting the arms industry? Aren't there better products to export to developing countries than war materiel? But there again, as is the case in the iron and steel industry, large-scale capital has also continued to be lacking."

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CSO: 3100

## SOCIALIST 'LE PEUPLE' MERGES WITH 'JOURNAL ET INDEPENDENCE'

Brussels LE SOIR in French 10 Nov 79 p 2

[Text] Practically the only thing left to remember the newspaper LE PEUPLE by is its title! A fairly large meeting of the co-operators of the LE PEUPLE Publishing Company (Sodepe) was held Thursday evening in the headquarters of the National Union of Socialist Mutual Insurance Companies, whose president, Mr Edmond Leburton, is also chairman of the board of the socialist newspaper. There was a long debate over the ownership of the title. It was asserted that it is the Socialist Party that owns the title and that the latter is transferring it to the publishing firm. This was countered by the newspaper's management. In any case, in the end the LE PEUPLE title was transferred to the Charleroi daily JOURNAL ET INDEPENDANCE. Two editions of the latter daily, using the associated title of LE PEUPLE, will cover the Borinage and western Hainaut regions. Only the nine editors of JOURNAL ET INDEPENDANCE will stay on to handle the publication of a daily newspaper of about 20 pages. The 14 editors of the defunct LE PEUPLE have received their advance notices of discharge. It is not at all certain that the Sodepe can pay these discharged persons the compensation for advance notice of discharge to which they are normally entitled. The company is said to be calling on the Enterprise Closing Fund for assistance.

What is causing Sodepe's financial difficulties is essentially the defection of two of its large traditional silent partners, the FGTB and the State Insurance Fund. The company's accounts would continue to be balanced through the support of these two organizations and the help of the government. These two silent partners were asked in 1974 to make a 3-year effort to get the situation in order. But after the fifth year, not all the problems were solved--far from it. This explains the withdrawal of the union and the State Insurance Fund.

The press sector of the SETCa (Brussels and Liege), which defends the union rights of the editors, has registered its "intention to compel the management of Sodepe, which is going into liquidation, to meet the payment of the severance pay of the discharged personnel, both newsmen and employees."

The press sector of the SETCa "calls on socialist opinion to support the project of a leftist daily in Wallonia and Brussels.



## BRIEFS

GOVERNMENT'S AUSTERITY PROGRAM--Mr Louis Van Geyt, Brussels deputy and president of the PCB, addressed an open letter to the prime minister and the Cabinet members, asking that "the economic and social options contested by the labor movement be substantially modified and that there should then be an immediate review of the budgetary options for 1980 and of the draft program-law." For their part, the communists propose the following: generalized application of the 38-hour work week with compensatory employment from 1980 on, the freedom of trade union negotiations, maintenance of the rights of persons under social security and of all taxpayers living on their work income, guaranteeing the future of social security, substantial reduction of governmental aid to very heavy investors, exporters or the banking sector, the taxing of "superprofits" and large fortunes, and combatting large-scale fraud and tax evasion. Mr Van Geyt concluded as follows: "If the labor movement is made to swallow austerity, we shall witness its demobilization and the installation of a tougher government that would implement a program like that of Thatcher. Fortunately, the labor movement is reacting, and the adoption of union positions constitutes the primary condition for foiling this game of the right." [Text] [Brussels LE SOIR in French 10 Nov 79 p 2] 5346

PS CONTINUANCE IN GOVERNMENT--Speaking before the militants of the Ixelles socialist section, PS President Andre Cools underscored the party's need to remain in the government, particularly to preserve the principal social gains already won. Then, analyzing our society, he scored the generalized egoism, the desire for immediate and passive consumption, the absence of any real human communication. He stressed the dangers that are raised by the resigning and abstaining attitudes, that is, the development of an insidious fascism and the threats weighing on individual liberties. Taking up the internal situation of the PS, Mr Cools stressed the need to return to a true militarism based on the spirit of struggle and selfless devotion. He denounced the dangers that are threatening the party's distinguished image and its internal democracy due to overdependence on the government. [as published]. Lastly Mr Andre Cools reasserted the Socialist Party's firm determination to win acceptance for the three-way regionalization, which will give Brussels residents the same rights and duties as those enjoyed by residents of the other regions. According to him, that is the only institutional formula that can ensure the country's future. [Text] [Brussels LE SOIR in French 10 Nov 79 p 2] 5346

## QUEBEC PRESS COMMENTS ON PQ BY-ELECTION DEFEATS

## Results Seen As Setback For Levesque

Quebec LE SOLEIL in French 15 Nov 79 p A 6

[Editorial by Marcel Pepin: "Serious Warning to Levesque"]

[Text] The voters of Maisonneuve, Prevost and Beauce-Sud have just delivered a colossal blow to the Levesque government. The humiliation is such that the government forces will have a difficult time recovering their former enthusiasm when they start the long referendum battle.

In fact, what explanation is there for such a stinging defeat for the government team, if not the public's disillusionment with the way in which Levesque and his ministers are attempting to deal with constitutional reform? For it would be illusory to seek the deep explanation for this reversal elsewhere: The sovereignty-association plan is not acceptable. Those of the Parti Quebecois [PQ] have just said so in the most forthright manner.

Of course, unemployment, inflation and economic problems of all kinds which have been haunting citizens for a good decade are not much helping the government, whichever it might be, to captivate voters at the time of an election which it is known in advance will not upset the balance of power in the assembly. Moreover, as the labor movement increases its provocative actions to harass the government, the people naturally can be tempted to express their disillusionment.

No one questions the fact that these two elements have contributed to swell the liberal vote to the detriment of the government team. But to what extent? It seems doubtful that this is enough to explain the harsh defeats suffered by the Parti Quebecois candidates. Similarly, the dissensions within the PQ in Prevost, the bitter fight between Jacques Desmarais and Michel Bourdon in Maisonneuve and the confused remarks of candidate Raymond Boisvert in Beauce-Sud do not explain the general setback of the government forces.

This vote instead translates the malaise of a people worried by a political plan whose real objective they still grasp poorly. Ordinary citizens have quite simply just warned the government that they are not ready to plunge headlong into an adventure whose outcome they cannot foresee.

In a general way, in fact, on most of the other than constitutional questions, the Levesque government has adopted a more than acceptable legislative program. His integrity has never been placed in question. His preoccupation with the less-favored groups of society has never been refuted, nor has his concern for the full and entire assumption of the powers available to the province to improve economic conditions. This performance should have, therefore, resulted in more generous support for him.

The rebuff is such that one must conclude that there has been a massive rejection of his constitutional position.

Another explanation is also plausible: by this vote, the people have indicated their refusal to allow themselves to be violated. For the promised referendum is a form of violence. Forced to express a definitive choice between two options which both have unquestionable attractions, the people are seeking to get out of the dilemma in which they have been placed. Perhaps they have quite simply sent out the message that they do not wish to make a decision [trancher] and that anyone who forces them to do so risks being promptly sent packing.

Since the liberals have not yet exposed their alternative solution to the PQ plan, it was not, therefore, to support Mr Ryan's reform program that the voters preferred his candidates over those of Levesque. They contented themselves with saying no to the sovereignty-association plan, which confirms the rightness of the liberal strategy.

As a matter of fact, the federalists feel that it is not up to them to daily give proof of the pertinence of federalism; but rather it is the government's responsibility to demonstrate that its orientation is more valid. The people have endorsed this reasoning, which can only encourage Joe Clark and even Ryan to limit to the minimum their promises of change, so long as the Levesque option is still on the scene.

The government can draw only one lesson from this super public opinion poll, a few months from the referendum balloting: too much strategy does not pay off. Instead of playing with words, of toning down or camouflaging its position, of diluting it a maze of more or less precise stages, the government should tell it forthrightly the way it is. The ruses which the PQ strategists are increasing by the dozens have not succeeded in fooling the vigilant voters.

One of two things is involved: either the public understands the sovereignty-association plan and rejects it, or the public still does not understand its scope and consequently refuses to endorse it. In either case, the government has failed in its objective. The absence of national unity has in effect just confirmed the deep polarization between federalists and sovereignists.

Under these circumstances, the government has an interest in reviewing its program. If the debate which it is imposing on Quebec only succeeds in more deeply dividing the Quebecois, should it really pursue this debate? It is not too late to seriously think about this.

#### Defeat Borders on Repudiation

Montreal LE DEVOIR in French 16 Nov 79 p 4

[Editorial by Michel Roy: "The Lessons of the By-elections"]

[Text] The fullness of the Parti Quebecois' defeat in the by-elections has given the government such a blow that it resembles a repudiation. It was in Maisonneuve that the setback was most distressing since the prime minister, apprehensive over the reverses in Prevost and Beauce, was counting on re-establishing the balance by a victory which he considered certain in the presumed fortress of his former minister. In Prevost, Solange Chaput-Rolland experienced even more imposing gains than those predicted for him, which must in part be attributed to his personality and his popularity, in part to the wave that swept through the three districts, a wave bearing with it grievances of an socioeconomic nature against the government. Finally, in Beauce the fight was centered on the contending personalities to such a point that we are permitted to think that the PQ would have won this race if Mr Mathieu had aligned himself with the government team. Indeed, the liberals carried the day by a heavy majority and are finally establishing themselves in a country which has long been inaccessible to them; however, it should also be noted that the Parti Quebecois has succeeded in solidly implanting itself there. How is this triple liberal victory and defeat of the Parti Quebecois to be explained? We cannot single out one reason. The analysis of this phenomenon is independent upon factors of various kinds.

It is normal for the head of the Liberal Party to emphasize the scope of his victories. In large part, these victories are the work of a politically and physically renewed party, now inspiring confidence in an electorate which had harshly repudiated it 36 months ago. At the level of organization, Mr Ryan's team demonstrated, first in Jean-Talon and Argenteuil then in Maisonneuve, Beauce and Prevost, that its effectiveness and combativeness are at least comparable to those of the best years of the PQ. The latter, after 3 years in power and an evident proclivity for self-importance, came to overestimate its forces and underestimate those of its adversary. The Maisonneuve example is classical. The liberals have been busy there since



the beginning of summer, working without respite and with discretion, penetrating all of the strata of the population, selecting a candidate who meets the expectations of this county. In the meantime, those of the PQ were quarrelling over a candidate, tearing themselves up and splitting apart inside a neglected association which had lost its vitality. In short order, the liberals discovered that Maisonneuve was not the impregnable county it was described to them as being. This legend did not withstand the by-elections because in politics strongholds no longer exist.

Although it is true that the liberals worked very hard and that they succeeded under the leadership of their new head in projecting the image of a party in which young people and workers are not ashamed to be activists, it must be acknowledged, on the other hand, that the government itself contributed to the defeat of its candidates. In this regard, the prime minister gave a sincere explanation yesterday to the National Assembly. With reason, he imputed his setback to the social climate; i.e., to the strikes and threats of strikes, and also to the obvious difficulties his government is having in the opposition, thanks to its privileged relations with the union movement. The people understood that Levesque's government has no magic formula and that it is dealing with an agitated society, which has been strong enough up to now to resist the serious risks it is being made to run by the divers protest movements but the victim of excesses of which the majority is tiring. The Parti Quebecois, no matter what fervor it marshals to glorify it plan for society, and even taking account of the real efforts it has exerted to develop our social legislation, is having no better success than its predecessors in reestablishing peace and the sense of realism in the public and parapublic sectors. Like the previous government, it had to resort to a special law to suspend the right to strike even before such right was exercised and to constrain the unions to consult their memberships in accordance with strict procedures.

It is obvious, therefore, that the interruption in public transportation in Montreal, work stoppage movements in the public sectors and the threat of a general, unlimited strike strongly displeased the voters who expressed their dissatisfaction.

It had also been emphasized, in the publication of recent public opinion polls, that the percentage of citizen satisfaction with the government remained relatively high, ranging from 40 to 50 percent. Although the voters express satisfaction overall with the policies of the government in the cultural sector and, in part, in the social sector, they continue to be dissatisfied (less than 35 percent) with the achievements in the economic sector. The government of Quebec is not directly responsible for this state of affairs; we cannot reproach it for inflation, erosion of the dollar, the rise in mortgage rates and unemployment. However, the dissatisfied voter does not make these distinctions: he votes against the government, whether in Quebec or Ottawa



Many voters are also prone to attribute to the government of Levesque, or rather to his plan for sovereignty-association, the blame for the economic melaise which is affecting Quebec. It is in this sense that the constitutional position of the PQ could have influenced the results. However, it is too much to conclude, as did the liberals, that the Wednesday verdicts bear witness to a massive rejection of the thesis set forth by the government in its white paper. However, we note that the Quebecois are perfectly aware that the Levesque team is devoting to constitutional questions and referendum activities much time and energy which are not invested in other sectors.

When Levesque tells the National Assembly that he is "beset by all kinds of problems" and that he is unable to follow the situation as he would wish to, that his 3 years in power have brought about what he calls a "general disconnection," he is demonstrating a lucidity which will help him learn the lessons of his defeat. One of these lessons derives from a promise kept with difficulty and often forgotten: as regards constitutional options as in other sectors, the government must attempt to clarify its arguments, eliminate the ambivalence and ambiguity of language behind which too often uncertain and doubtful strategies are concealed. A few months from the referendum, a return to clarity is more necessary than ever.

Levesque would be wise to draw another lesson. When he advocates discipline in the ranks of his party, which was shaken by dissension in Prevost and Maisonneuve, he must also be reminded that the first democratic duty of a leader is to respect insofar as possible the decisions emanating from the activists who constitute the rank and file. If he persists in intervening in the structures, he will finish by demobilizing his troops, who are partially demoralized as the result of these election defeats which would have been less acute if polarization had not driven away third parties.

Finally, and this is another lesson to be drawn, the prime minister would make a valuable contribution to the balance desired in the referendum debate if he consented to review certain formulas which derive from the caricature. Such is the case with the word "terrorism" when it is applied to economic discussions on a Quebec "associated" with Canada. Now the term "terrorist" is applied to anyone who expresses reservations in an image-embellished style as to the viability of the organisms of a possible economic community.

Three by-elections and three defeats for the PQ which served as solemn warnings and may have borne fruit if, on entering his fourth year in power, the prime minister does not neglect his "good" government mandate to the benefit of the referendum campaign and if at the same time he regains the sense of effectiveness, the taste for clarity.

## Time for PQ Self-criticism

Montreal LA PRESSE in French 17 Nov 79 p A 5

[Editorial by Louis Falardeau: "PQ Members: It Is Time for Self-criticism Rather Than Panic"]

[Text] There have been many reactions within the government and the Parti Quebecois following the serious defeats on Wednesday. Despite the scope of the disaster, we find neither panic nor discouragement in it but rather much bitterness, a little resignation and above all an astonishing return to humility and self-criticism.

For once, there is no effort to disguise the severity of the popular verdict with terms such as moral victories and extenuating circumstances. The defeats are being imputed less to external causes than to errors and weaknesses of the party and government.

Although much bitterness is being shown, it is not on the part of Quebecers in general. No one took up the condemnation which Gerard Filion had served to time when they voted massively for the Creditist Party in 1962, to the effect that they were "more stupid than the others."

Rather this came from the "left" and particularly from the unions which, after having assisted with the election of the party in 1976, pushed intransigence to the point of supporting the election of liberals this week. They did so in two ways: first by announcing a general strike for the eve of election, then by not going out to vote as a protest against adoption of a law which prevented this strike from taking place.

On this score, it is more a time for criticism than self-criticism. There is great displeasure with these "leftists" who are accused of lacking realism and of behaving like spoiled children. The government is convinced that it did a lot for them, that it was "liberal" at a time when, everywhere in the West, the trend is instead toward conservatism.

It would be difficult to pardon them for being so intransigent, for not having had enough political sense to agree to compromises which are essential in a difficult period in the economic sector. And they are telling themselves that they did not steal conservative Quebec from Claude Ryan whose succession they are hastening.

We encounter resignation when there is a question of the referendum. On Thursday, Levesque said that after 12 years he would be ashamed to abandon his great objective of bringing about sovereignty-association. Although no one in the PQ is explaining the Wednesday defeats as a rejection of their constitutional position, all of them at least are acknowledging that in this regard there is no encouraging sign in the defeats. Quite the contrary.

However, those of the PQ have put too much effort into the referendum to give up. And they feel it is too late to stop the machine or to change its course. Therefore, even if they are less certain of winning, the referendum will take place as scheduled, at the time scheduled and on the announced subject. There is no question of diluting or patching up the position at the last minute. This is all the more so because they are consoling themselves a bit over the Wednesday defeat by telling themselves that at the time of the next general election, if several of the factors which explain this setback persist, everything on the constitutional front will be much clearer because the response of the Quebecois was "yes" or "no." And because it is thought that the PQ's chances of victory will then be better, no one is thinking seriously of calling for general elections before the referendum.

But the essence of the PQ reaction is this self-criticism for which the prime minister set the tone on Wednesday evening and again on Thursday in the National Assembly. "Self-criticism must take place in-depth," he said, "if the government and the party wish to draw real lessons from their setbacks."

Three mistakes show up clearly at the party level: the organization is not equal to its reputation nor the coming challenges; discipline must be strengthened and contacts with the government improved.

The organization of the Parti Quebecois was almost nonexistent in Beauce-Sud and in poor shape in Prevost and Maisonneuve. No matter what reasons the leadership, from which an accounting will be requested, may wish to invoke, the fact remains that this is an unacceptable situation 6 months from the referendum and within a party which was hundreds of thousands of members. An abrupt change in direction should be made, and it would not be surprising if we were to witness a housecleaning both within the party structure and the office of the prime minister.

One cause of the pitiable condition of the PQ organization in Prevost and Maisonneuve is certainly the divisions which persisted in the party after the stormy conventions it experienced. Although these divisions, which Levesque described as "almost masochistic," are normal in a democratic party, it is unacceptable in a disciplined party for the losers not to close ranks.

But it is not enough to wish for discipline to resume its place in the PQ. Considering the importance of the stakes, it will be necessary for everyone to accept his share of the blame. Let the losers stop trying to give lessons to their leader, and let the latter and his entourage be more respectful of the party's democratic structures.

Finally, many PQ activists want the government to have a rapprochement with its rank and file and to listen with greater attention to what its members have to say to it. Levesque, who spoke Thursday of "disconnection," who regretted

the distance existing between the government and Quebecois, could well in the process of self-criticism recognize the fact that his party is perhaps the best instrument he has to get closer to the Quebecois.

Levesque also acknowledged that his party and government had too often spread the illusion that magical solutions existed to resolve all problems. He is now experiencing a setback to his magical solutions to resolve the problems of negotiations between the state and its employees. He recognizes this and says that he is ready to draw the essential lessons therefrom.

One of these lessons certainly will be that this humility which he has demonstrated since the Wednesday defeat should be contagious and affect his government colleagues. For if this government has lost contact with the Quebecois, it is because it has lost the habit of talking with them, except to tell them: "Have confidence in us; we have the solution; we are going to resolve the problem." Or again: "Whether you agree or not is of small importance, as we know that we are right."

These intelligent and competent technocrats have the failing of all intelligent and competent technocrats: they are elitist, too sure of themselves; they have the annoying tendency to be disdainful of the uninitiated. They think it is enough to be right for Quebecois to side with them, that it is enough for a solution to be good for it to resolve the problem at hand.

They should be more "politic," and understand that all is not logical, that a good solution on paper may not be good when applied to men and reality.

After 3 years in power, any government will find it worthwhile to engage in self-criticism. The Wednesday verdict, by reminding the Levesque government of this, will have a salutary effect.

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CSO: 3100

## ECONOMIC ASPECTS OF PQ WHITE PAPER ANALYZED

## Quebec-Canada Partnership Proposal

Quebec LE SOLEIL in French 3 Nov 79 p B 1

[Article by Jean-Paul Gagne: "The Economy: Partnership Without Sovereignty"]

[Text] Although the white paper on "sovereignty-association" is essentially a political document, one senses in it the full impact of the economic forces that have perpetuated the Canadian common market.

"A country without good sense" is the cry that has been voiced for many years in pro-independence circles to underscore Canada's economic irrationality.

This Canada "without good sense" is, however, that very same common market which the white paper proposes to preserve as intact as possible. Sovereignty (as Rene Levesque has already said) may well not be negotiable, but one has to acknowledge that this sovereignty is somewhat limited by the economic partnership that remains to be negotiated with the 10 other governments of the nation.

Generally speaking, this white paper largely conforms to the "Between Equals" declaration adopted at the national convention of the Parti Quebecois [PQ] in 1979 with respect to the nature of the "sovereignty-association."

The white paper is, however, more explicit on certain points, notably as regards the monetary question.

## The Currency

We already knew that the party had adopted the principle of a common currency for Canada and Quebec despite the major differences of opinion within the party on the subject. We have now learned the specifics of the mechanism for implementation of the monetary policy of the Quebec-Canada common market.



This mechanism consists of a Common Monetary Authority two-thirds of whose board of directors will be representatives of Canada and one-third representatives of Quebec. This monetary authority will have complete jurisdiction over the administration of the common monetary policy of the two states, which calls for controlling the expansion of the money supply by intervening with respect to interest rates and influencing the exchange rates for the Common Market currency as against foreign currencies.

Each of the two states would also have its own central bank, for two purposes of a more limited nature: one, to administer the placing and distribution of the loans contracted by the respective states, and two, to serve as banker to the respective governments. These two functions are in reality unnecessary, for all practical purposes, inasmuch as the placement and distribution of the bonds can be handled by a financial syndicate, and a group of financial institutions can serve very well as banker for each government.

If these central banks were to be used to finance governmental expenditures they would in effect be participating in the process of creating money and would be encroaching upon the role assigned to the Common Monetary Authority. These central banks actually appear more as symbols of sovereignty than as genuine instruments of economic management.

Moreover, the white paper provides that if differences of opinion arise between the two parties within the Monetary Authority (in which Canada has majority representation) concerning implementation of monetary policy, these differences shall be resolved by the Community Council, which is the principal entity charged with the administration of the partnership agreement to be concluded between the two partners. Each partner would have an equal number of representatives on the aforesaid council.

The white paper justifies Canada's majority on the Common Monetary Authority on grounds that Canada's economy is of greater magnitude than Quebec's. There is a certain inconsistency in the fact that a dispute arising at the level of an entity in which the partners have unequal representation could be resolved at the level of an entity in which each state has equal representation. One must either acknowledge the supremacy of the Canadian economy, or validate the equality of the two partners across the board.

#### Common Policies

In the domain of trade policy and customs duties the white paper conforms to the PQ platform. The Quebec Government will strive for a common trade policy, which means the establishment of customs duties that are identical vis-à-vis foreign countries.

As for trade between the two countries themselves, the proposal calls for guaranteeing free trade and the free circulation of goods without hindrance and without fiscal discrimination. In the proposal, no mention is made of

the policies of preferential purchasing that are in effect in various provinces, including Quebec--policies that constitute barriers to open competition, whereas the "Between Equals" declaration took this exception into account. Is this omission an oversight, or does it indicate an intention to renounce this barrier in favor of the establishment of a genuine common market?

This governmental document also calls for the free circulation of capital under certain conditions (an investment code, public management of certain financial institutions); postulates the necessity of negotiating specific agreements concerning the regulations that will govern the labor market; and advocates the free circulation of persons.

The white paper also mentions the need for the two states to coordinate current policy, and the measures that should be taken to ensure equilibrium in the balance of payments and the stability of the currency.

The agreement proposes with respect to the economic partnership between the two states is consequently very restrictive as regards the margin for economic maneuver that would be available to each state following adoption of the proposed new constitutional formula.

Actually, all that the Quebec Government would recover--if its sovereignty-partnership proposal were to be adopted--is 100 percent of the taxes paid by the citizens of Quebec and by those enterprises doing business in Quebec. To be sure, this tax base (which former prime minister Daniel Johnson had, moreover, already called for) would provide Quebec with a not inconsiderable political instrument.

The effectiveness of this instrument would be relatively limited, however, because everything else would be contingent on the association with a partner whose economic importance is twice as great.

This white paper is certainly very pragmatic in the way it presents the economic partnership, but it nonetheless testifies forcefully to the inertia represented by the economic forces which continue to weld this country together.

#### Role of Banks

Montreal LA PRESSE in French 6 Nov 79 p A 4

[Article by LA PRESSE economic columnist Jean Poulain: "The White Paper and the Fate of the Banks"]

[Text] Although publication of the Quebec Government's White Paper confirms the official intention of the PQ to share a common currency--after independence--with the rest of Canada, it does not supply any details as to the possible transfer of Ottawa's federal jurisdiction over the charter banks.

The only indirect allusion in the document that could relate to these banks is the general statement that "Quebec will retain the Canadian laws, which will become Quebec laws."

Any clarification of this question must be sought from the current minister of finance, who when his party was still only an opposition party made a speech in Montreal on the subject of "How Quebec's Businessmen Should Prepare To Function in a Sovereign Quebec."

This former lecturer (who was an economics instructor at the HEC [expansion unknown] school) began by disclosing (it was a new concept at the time) that a sovereign Quebec would quite simply adopt--as the banking code for Quebec--the Banking Code of Canada, specifying in particular the clause which requires that 90 percent of the capital stock of the banks shall be held by nationals and a maximum of 10 percent by foreign nationals.

The minister of finance then explained that the charter banks--in a sovereign Quebec--would necessarily be divided each into two banks, so that we would have, respectively, a "Bank of Montreal of Canada" and a "Bank of Montreal of Quebec," with the former retaining its structures unchanged "abroad" while the latter would be obliged to turn over 90 percent of its capital stock to residents of Quebec.

It is therefore a far cry from the "Between Equals" type of partnership, because a sovereign Quebec would have nine votes and the rest of Canada only one vote, or precisely the kind of inequality that the Levesque administration criticizes--namely, the inequality of nine provinces as against only one--which that administration believes is the principle on which our federalism is based.

This is not the only anomaly; we find a similar one in the chapter that deals with the currency.

Indeed, it is this second anomaly that puzzles the layman who wishes to resolve the theoretical dilemma: namely, should there be a Quebec currency or a common currency? It will be recalled that when Parizeau delivered his address he opted for the concept of a separate currency, although he has subsequently--without any public explanation--joined the opposing camp.

Two potential dangers could justify this change of credo on the part of the minister of finance.

One of these dangers stems from the spirit of cabinet solidarity, whereby unity of the team in power takes precedence over personal convictions.

The second danger which any cabinet favoring a Quebec currency would have to face is the risk involved in officially announcing such a move in advance, which would be somewhat as if a minister of finance were to discuss in the chamber the possibility of devaluing the national currency, whereas the classic strategy is either to remain silent or issue a denial.

Another anomaly--in a sovereign regime with a divided currency--would stem from the lower efficiency of Quebec's industry by comparison with Ontario's, to cite only one example.

In the present federal context our lower industrial productivity does not prevent wages in a given sector from being at the same level. Indeed, they are sometimes even higher, as in the case of the minimum legal wage in Quebec, which is approximately 20 percent above that of Ontario.

If on the other hand (to clarify this point) we compare Canadian wages with those in the United States--a country where productivity is also higher than here--we see that while nominal wages in Canada have attained (and subsequently exceeded) the American level, the only automatic remedy in the marketplace (where goods and capital circulate freely, as the White Paper also acknowledges) is devaluation of the Canadian dollar.

Under these circumstances, the role of the market has been to compensate for the "unwarranted" portion of the Canadian wages by the higher prices of the products imported from the United States and by the sale of our products at more advantageous prices (from the standpoint of the American buyers).

This explanation tends to show that under the present federal system the difference in productivity chargeable to Quebec is compensated not by a devaluation (for the currency is a common currency) but by a veritable invisible transfer, thanks to the mechanisms of the market that operate in respect to prices. This process of equalization constitutes one of the often disregarded advantages of federalism, which aims at attenuating the regional disparities of the nation.

For this reason, one may ask whether in the event of a political separation the rest of Canada would agree to share its currency to an even greater extent: that is to say, whether it would agree to devalue the common currency against what its own currency would be, in order to support the standard of living of a neighbor which had severed its federal ties.



## CORRESPONDENT ON CARTER GRAIN EMBARGO OF USSR

KW081134 Frankfurt FRANKFURTER ALLGEMEINE in German 7 Jan 80 p 3 DW

[Report by Moscow Correspondent Leo Wieland]

[Text] Moscow, 6 Jan--There will be no famine in the Soviet Union. Even without wheat from America the shops between Brest and Vladivostok will remain filled with crisp and cheap bread. But the embargo decision by the U.S. President is doubled bad news for the Soviet populace and for the ruling people: It means even less meat in the pots and even less chances of achieving the planned target figures of this year that have already been lowered repeatedly.

The greatest part of grain imported by the Soviet Union is not wheat for bread but for fodder. The poor 1979 harvest was already bad news for the poultry and meat markets with their shortcomings, it cause the kolkhozes and sovkhoses to face the problem of how to get the cattle through the winter. If no equivalent comes from the great reservoirs of the United States, Canada and Australia, it would be a grave setback. It would come at a time when the Soviet stock of cattle is slowly building up following the mass butcherings in the winter of 1975. The reason was empty fodder silos after the drought and the poor harvest.

Last year the Soviet peasants harvested just 179 million tons of grain. That was 47 million tons less than envisaged by the plan, and it was 55 million less than during the record harvest of 1978. The Moscow government had to procure an equivalent in the West. A 5-year contract existed with the Soviet Union granting it an annual minimum of 6 million tons. Supplies going beyond the 8 million tons limit must be approved by the U.S. President.

When the grain harvest difficulties became obvious in late summer last year, buyers and seller began their talks. The United States offered a total--including the minimum of 6 million--of 25 million tons. The Soviet Union signed contracts on purchasing 21 million tons. It seems that 6.7 million tons have been shipped already or that they are on their way. Some 1.3 million tons are still open. President Carter so far has stopped the shipment of 17 million tons. The Soviet compensation purchases after the 1979



harvest are estimated to amount to about 32 million tons. If the other contractors--next to the United States they are Canada and Australia--should refuse to offset the deficit, hardly any noteworthy offers would remain with the exception of Argentina.

A visit to Moscow butcher shops even before the holidays and New Year's Eve showed that there is a meat shortage. That pertains to quality as well as quantity. State and party chief Brezhnev was quite frank in this respect in a November speech when the new 1980 state plan was introduced. According to official statistics, the Soviet citizens eat 57 kilograms of meat a year (in the Federal Republic it is well over 30 kilograms more). If the state shops cannot offer the desired--a kilogram of meat costs about R2 (DM6)--the consumers must go to the free market. There the peasants sell what they have produced privately at the proud price of R7 (DM21) for 1 kilogram of beef, which cuts quite a hole in a worker's pocket whose average earnings last year amounted to R163 a month.

Other food supply gaps also appeared which can be seen in the context of the lack of grain and fodder: butter and flour were available temporarily only in small quantities--a pound a person. In Moscow where supplies are usually considerably better than in the province, rumors were spreading that less cattle will be slaughtered so as to create a stock for the Olympics and the expected 300,000 foreign tourists. After Carter's decision agricultural experts point out in Moscow that the offer of poultry and meat could increase considerably in the shops in the near future--because of emergency butchering.

Next to the consumers the Kremlin politicians will also be involved by the American sanctions. The Soviet Union is a grain supplier itself and it has commitment vis-a-vis its allies and some developing countries. But aside from that the grain issue touches a particularly sore spot. There is not just the fact that years of wheat and corn imports have demonstrated embarrassingly that the Soviet Union, an agrarian country, still is unable 60 years after the revolution to supply itself sufficiently. Now it is being demonstrated to everybody that grain can be used as a political weapon. It seems this weekend in Moscow that nobody had seriously expected this to happen. One could always rely on America as a grain supplier, also in times of tension. In earlier times there was the whispered joke that the agricultural expert Brezhnev was seeding in Russia in order to harvest in the United States; now, however, it seems that a taboo has been violated that has political, economic and particularly psychological sides.

National pride and self-confidence feel attacked in the Soviet states. That was demonstrated by initial reactions this weekend. The news agency TASS criticized Carter's bundle of measures as a "flagrant violation" of accepted commitments by America, saying that they came from the "arsenal of the cold war." These usual formulations, however, were followed by the sentence--addressed to the "Sovietologists" in Washington: "They cannot understand that, for example, the Soviet Union today is not the poor Marxist

Russia and not a young republic suffering after World War I and civil war from economic convulsions, but a great and strong power.

Commentator Yuriy Zhukov offered another variant in the party paper PRAVDA on Sunday indicating the direction in which attempts are likely to be made to explain to Soviet citizens. Zhukov pointed out that the grain deal was serving mutual interests, and in addition he almost created the impression that the Soviet purchasing was more of an assistance action for the American peasants than a bitter necessity. It is doubtful, however, whether such interpretations will be accepted by the Soviet citizens who are well informed in matters of deficit and surplus. On the other hand, however, Carter would lose votes if he were to run in elections in the Soviet Union and not at home. His wheat embargo will hurt his popularity among the local populace in the USSR, "because it does not hurt the ones it was supposed to hurt."

CSO: 3103

COMMENTATOR URGES WEST TO SHOW SOLIDARITY WITH U.S.

DW071258 Frankfurt FRANKFURTER ALLGEMEINE in German 7 Jan 80 p 1 DW

[Article signed R.H.: "Solidarity Now"]

[Text] The strong U.S. reaction to the Afghanistan case ought to have something refreshing for the West. Does it really, or is the fact that only Moslems demonstrate in our country and that the Federal Government issues overly hasty judgment on a boycott of the Olympic Games tantamount to an attempt to play things down? It was certainly difficult for Carter the moralist to threaten another nation with curtailments of its daily bread. But the intimidation of pulling one's belt a notch tighter is extremely far away from bloodthirsty decision; and the slowing down of careless exports of technologies that could be used for arms was due.

The Soviets, however, and their new Afghan puppets cry out: cold war! It is not a matter of getting back to cold war but of disclosing what the Soviets consider detente: Maybe a quick and small blitzkrieg upon an invasion of the domestic fifth column. After the self-Finlandization one ought to see the step of self-Czechoslovakization: a bad sign also for Yugoslavia. The question is whether the friends and allies of the United States will now be able to muster the necessary solidarity, even if it will cost something. The Iranian case was too complex a test. The Afghanistan case has the advantage of being extremely clear, even if it seems to be far away. The temptation arises of dodging the duty to show solidarity by playing the role of mediator. Trying to mediate here would mean to impute that all this was just a misunderstanding. But Afghanistan was and is not a misunderstanding; according to tsarist imperialism it is an old-style roober action with newer means. If somebody in the Federal Republic thinks that we could serve there as mediators, it would mean being presumptuous with regard to the weight we carry as well as with regard to the question of how popular we would be to both sides as mediator.

It is unlikely that President Carter will make the Soviets see reason by withdrawing from their panem et circensis, bread and games. But America ought to give a signal to them and to the world prior to more and more nations getting the idea that one can make arrangements with the Soviets only on their conditions. At least an attempt must be made to limit Soviet wantonness: then there will be more old and new allies of America in the world.

## COMMENTATOR VIEWS CONSEQUENCES OF AFGHANISTAN INVASION

DW081158 Frankfurt FRANKFURTER ALLGEMEINE in German 8 Jan 80 p 1 DW

[Editorial by Guenter Gillessen: "Two Broken Illusions"]

[Text] The military occupation of Afghanistan by the Red Army makes the Western and the third worlds face tough problems. Is the political picture correct, the picture they have had with regard to their political environment and their own role in it? Two great political ideas must be renovated: The "nonaligned" state and "detente." Are they based on illusions, on shamefully erroneous assessments? Was one moving in a world of illusions which was not as it ought to be?

A wave of shocks is moving through the capitals of the third world. The state of being nonaligned in the past was good for many things such as, for example, a swing policy and the search for others who could be blamed for one's own mistakes, but also for comfortable self-comfort. But it was no good for one thing, for the satisfaction of one's own demand for security. As long as America was prepared to act, one could blame the superpower and still live under its protection and umbrella. Since it maintained restraint after Vietnam, the other superpower advanced in a horrifying way. The third world is suddenly facing a real big power problem. An agent of the Soviet Union such as Cuba in the chairmanship of the "nonaligned" and a nonaligned country such as Afghanistan in the possession of the Soviet Union demonstrate where the state of being nonaligned has led.

It is due to human nature's weakness in grasping reality that the military invasion by Soviet divisions makes a much deeper impression than the political annexation of Afghanistan that had previously taken place as a result of Taraki's coup d'etat more than 1 1/2 years ago, let alone the many other civilwar-like shiftings of other countries of the third world into the Soviet sphere of power: Laos, Cambodia, South Yemen, Ethiopia, Benin, Angola, Mozambique—and all that in a few years. Many things support the opinion voiced by the Federal Government in the council of the allies, namely that one should not interfere in the third world's pondering on the Soviet Union. It was supposed to discover itself how unrealistic its image of the world was.



The Western world is similarly shocked by the Soviet Union, particularly wherever one had greater hopes of civilizing the Moscow leadership by making offers of cooperation and limitation of power, and wherever one was prepared to view the extraordinary Soviet arms policy with much understanding as the satisfaction of a most special Russian need for security.

At the time of Afghanistan's occupation it turns out that the years of alleged "detente" were the years of Soviet armament to a position of superiority, for whose enhancement no limits are in sight, and of the greatest Soviet expansion. Compared with the second postwar period, beginning in 1948, was a period of stability. Greece did not fall to the communists, Malaysia was held, South Korea's external freedom was successfully preserved. In its time the U.S. policy of containment was the appropriate answer to Moscow's "cold war" against the West, with respect to both its determination and its moderation (nuclear monopoly power!) even under John Foster Dulles.

"Detente policy," in contrast, as shown by its results obviously was not [a period of stability]. The Soviet Union nourished Western expectations with certain concessions for the sole purpose of being better able to exploit them all the longer and better. It collected and developed more power than ever before. Brezhnev was more successful than any of his predecessors. He even succeeded in arousing in the West, despite the West's demand for the "indivisibility" of detente, some interest in partial detente for the Europeans and, particularly, for the Germans, and in causing differences between the allies. This reaped further successes such as the renunciation of the neutron weapons, the urging of the European governments in Washington for the ratification of the SALT II treaty and the domestic linkage of the NATO decision on the closure of the arms gap to a great disarmament initiative. The examples designate the underrating of the power of foreign policy that has become customary.

The only good thing about the Afghan event is that it cuts off the dreaming. What is left for the West to do is to renew a containment policy. It does not rule out any agreements on arms control and cooperation in fields that are neutral with respect to power policy. It does not require any preponderance. Yet it needs balance in military means in all important categories, including the category of an overseas intervention force, also outside the declared area of NATO's operation. It requires in the Western democracies a domestic language which will maintain the bases of a balance policy among the voters. It also demands that a large portion of the gross national product not be distributed for consumption but be set aside for support to the countries in Africa and Asia which might be partners in such a policy of containment.

The chances for a partial understanding with the Soviet Union and for a balance of interests will grow again only if and when the Western allies actually do not require such agreements under power policy aspects.



## COMMENTATOR URGES EUROPEANS TO LIVE UP TO COMMITMENTS

DW081218 Cologne Deutschlandfunk Network in German to East and West Germany  
1900 GMT 7 Jan 80 DW

[Excerpts from Fried Wesemann commentary]

[Text] If the Alliance advocates sanctions against Afghanistan, then it is being made clear that NATO feels directly affected by the military intervention in Central Asia. Regardless of what the individual reaction might be, political solidarity would then find its counterpart in the military field in the event vital interests of the Europeans were to be violated in other parts of the world.

The European allies are sitting in the same boat with the Americans. Yet the consultations also provide them with the option of exerting influence in the planned measures. The paralysis of the U.S. will for leadership constantly lamented in Europe over the past several years may well now turn into a complaint about excessive American countermeasures. First of all, some European governments are standing on shaky ground and, second, most of them do not have the nerve to confront their peoples with the new reality. But then, the events taking shape now will take care of that. Then it will become completely clear what is still intended to be kept behind a smokescreen: that there cannot be any such thing as detente policy by the Europeans all on their own.

Detente is derived from the changed relationship of the two superpowers with each other and has been doled out by them to their respective camps in well-measured doses. Consequently a confrontation between Moscow and Washington does not leave the European allies any more margin that is needed by the attempt to salvage what can be salvaged of all that has been attained.

Washington cannot and will not prohibit the Federal Republic for exploiting vital national interests in its Ostpolitik; however, Bonn cannot expect to prevail with the contradiction of postulating the indivisibility of detente while simultaneously advocating its continuation.

The noncommunist world can hold its own only in active, convincing resistance. The main burden will be borne by the United States itself, but the allies in Europe will not be able to dodge the commitments which constitute the reverse side of the protection granted them by the U.S. nuclear power.

CSO: 3103

## GENSCHER SCORED FOR USE OF TERM 'INDIVISIBILITY OF DETENTE'

DW041259 Cologne Westdeutscher Rundfunk Network 1210 GMT 3 Jan 80 DW

[Excerpts from Hans Heine commentary]

[Text] Federal Foreign Minister Genscher used the term indivisibility of detente when he denounced the Soviet intervention in Afghanistan as a violation of the basic principles of coexistence of peoples and of the right to self-determination. If the foreign minister were really serious about it then an icy cold certainly ought to move in on relations between Bonn and Moscow, everything ought to come to a standstill and also German-German relations, the hesitant development of which is undoubtedly connected with detente, ought to freeze likewise. This, however, can hardly be in our own national interest as much as the Soviet invasion is to be condemned as an act of aggressive recklessness.

Granted, it is rather worthwhile to strive for a world in which conditions are surveyable, even and orderly, that one formula suffices for any events wherever they may happen so as to have a practicable and realizable concept. But for our world with its complicated, overlapping lines of interest, which sometimes run parallel and at other times against each other, the term indivisibility of detente cannot be a handy instrument.

We must not be indifferent to the fact that the Soviets are perpetrating military aggression in Afghanistan; and such action naturally affects the policy of detente. Nevertheless, this does not change anything in our national interest of having a moderate relationship with the Soviet Union. As a matter of fact, the demeanor of the Federal Government actually comes closer to the balanced formulations of the government spokesman on the currently uncalculable and unknown aftereffects on detente policy in Europe than the strong words of the foreign minister.

CSO: 3103

## PRESS COMMENT ON U.S. DEFENSE SECRETARY'S VISIT TO PRC

DW081233 Cologne Deutschlandfunk Network in German to East and West Germany  
0605 GMT 8 Jan 80 DW

[Press review on Secretary of Defense Harold Brown's visit to Beijing]

[Text] HESSISCH/NIEDERSAECHSISCHE ALLGEMEINE of Kassel points out: The Americans are looking in the Far East for what they have found in Europe in a limited way only: an ally who does not merely condemn the invasion of Afghanistan by Red troops, but who is prepared to cut the claws of the Russian bear's pranks. The visit by U.S. Secretary of Defense Brown to Beijing is of a demonstrative character. It is supposed to show to Moscow that the West has not at all overbid the Chinese card. With their Afghanistan adventure the Soviets themselves destroyed the strategic balance. Now they will feel the consequences of Chinese-American rapprochement.

SCHWAEBISCHE ZEITUNG of Leutkirch states: The Soviets will observe attentively what is going on between the Americans and the Chinese. The hints that have been made by the U.S. secretary of defense during his current visit, indicating that America is prepared to cooperate with China also in the field of defense policy, cannot be discarded by the men in the Kremlin as being of no importance. The powercards are being reshuffled.

SCHWARZWAELDER BOTE writes: The bloody incorporation of Afghanistan into the Soviet Union's immediate sphere of power gives a new dimension to relations between the United States and the PRC. In the assessment of long-term Soviet aims Beijing and Washington fully agree--lately--so that a Sino-American military partnership seems to recommend itself.

SUEDDEUTSCHE ZEITUNG notes: The fact that the Americans for the time being will stick to supplying no arms to China will be less interesting for Beijing which is more interested in Washington's stance in case of a Soviet threat with regard to Pakistan. The Pakistanis can already read in PRAVDA about Moscow's warning against "participation in an adventure." The Chinese will ask Brown whether the United States will do more for Pakistan than renewing military and economic aid. China also has a joint border with Pakistan.

## DEBATE CONTINUES ON PLANNED TAX CUT IN 1981

Duesseldorf WIRTSCHAFTSWOCHE in German 3 Dec 79 pp 16-18

[Article: "Dispute About the Child"]

[Text] Time is putting increasing pressure on the passage of a tax reform planned for 1981. The Social Democrats are not yet in total agreement on the details of the package.

Less than 3 weeks ago, SPD and FDP tax experts were still optimistic. The 1981 tax-cut proposal was practically ready and nothing was standing in the way of a speedy passage. In the meantime optimism has been replaced by subdued restraint. After two coalition talks--the most recent one took place last Wednesday evening in a small group at Chancellor Helmut Schmidt's place--it has still not yet been settled as to what direction tax policies are to take.

The representative from the Social Democratic and Free Democratic fractions were able to agree only on one point. To avoid an extreme burden on the Federal budget of the postelection year, the tax-cut package should amount to no more than DM 13 billion. DM 5.9 billion should come from the Federal government, the rest will have to be borne by the Laender.

There is not much disagreement among the coalition partners concerning the question of what kind of corrections are to be made in income and wage tax rates. The income bracket that is to be taxed at a flat rate of 22 percent of taxable income is to be raised by DM 3,000 for single (DM 6,000 for married) taxpayers. It will then extend to DM 19,000 or DM 38,000 respectively.

Furthermore, in order also to benefit upper-income persons, the first progressive step is to be reduced and to satisfy the wishes of the Free Democrats, who want to do something for their own voters from the well-to-do middle class, there are also plans to reduce the tax rate in the next-higher progressive zone.



On the other hand, problems are arising with regard to those components of the tax-cut package that benefit the family. FRG Minister of Finance Hans Matthoefer wants to incorporate into the income-tax tables a basic allowance per child in the amount of D, 1,600. All taxpayers would profit from this measure to the same degree, which is DM 29 per month.

The Free Democrats, however, want to increase the child allowance by between DM 10 and 20 for the first child. "In principle" the FDP is not opposed to a basic child allowance, says Ingrid Matthaeus-Maier, its tax expert. Nevertheless, in her opinion the introduction of such a basic child allowance is "at the moment not feasible because many related problems have not yet been solved." One of them is the fact that such a ruling would mean that approximately 250,000 to 300,000 families with approximately 500,000 children would not benefit from the government gift; they are not paying any taxes because their income is too low.

Inveterate Social Democrats are reproaching their minister of finances for the very same reason. Mattorfer's solution does indeed avoid the increasing beneficial effect of a child allowance on rising income, something that the CDU wants. On the other hand, the basic allowance does increase the tax-free proportion of the income. Nevertheless: "Whoever does not pay taxes, has nothing to deduct." This is the opinion of Christoph Zoepel, North-Rhine-Westphalia's minister for federal affairs.

Consequently, in the opinion of many Social Democrats, Antje Huber's proposal is pointing in the right direction. In addition to the child allowance that everybody gets whether poor or rich, Bonn's minister for family wants to pay a child subsidy which will be restricted to certain income levels.

In Matthoefer's eyes, the Huber solution has a definite disadvantage. Whereas in the case of the basic allowance the Laender would contribute a considerable amount, the realization of the ideas of the minister of family as well as the proposals by the Free Democrats would require that he alone would have to come up with the money.

In the meantime, Bonn's opposition is relishing the bickering about the tax cut by the coalition. Although the proposals concerning tax-rate corrections by the Liberals and the Social Democrats do not differ very much from the ideas of the CDU, Christian Democrats hope that the dispute about the child will give them a good opportunity to launch an offensive during the discussion of the tax package in the Bundestag.

The coalition is planning to conduct this discussion in Spring of next year and conclude it by the end of April in order to leave at least 2 months for the discussion in the Bundsrat. Ernst Huonker, tax expert of the Social Democrats in Bonn's Parliament, can already visualize this discussion, expecting it to be "very amusing."

## INFLATION INDEX FIGURE TO BE RECALCULATED

Duesseldorf WIRTSCHAFTSWOCHE in German 3 Dec 79 p 32

[Article: "Fear of the Number Six"]

[Text] The fall 1979 inflation rate of 5.7 percent has been the highest in many months for FRG citizens. Now the Federal Office of Statistics is counting again--this time using a different base year and basket of goods.

When compared to the same month of the preceding year, the rate of price increases has risen sharply during the last few months. In July it was still only 4.6 percent; in November it was already 5.7 percent.

In its latest annual report, the council of experts for the assessment of all phases of economic development indicated, however, that this sharp increase is presenting "the wrong picture of an actual acceleration in the rise of prices." If one only takes a look at the continuously changing prices which have occurred this year, it becomes evident that the annual rate of increase has been fairly stable since the beginning of the year when it was already 5 percent.

The warning of the wise council as to a wrong interpretation of these indicators which are so important for discussions about the distribution are also supposed to impress upon wage negotiators one more time: The index is not an indication of the current change in the cost of living, but it measures the cost of living as compared to the same month of the preceding year. If the indicators were particularly low 12 months ago because of special factors (caused, for instance, by favorable harvests and resulting low prices for agricultural products) and if these special influences are lacking a year later, the price index rises even if the current economic development proceeds completely free of inflation. In addition, the current rate of inflation of 5.7 percent is based on a formula of consumption which goes back to 1970 and which has been outdated for a long time.

Now, however, this situation is to be corrected. In principle, when the Federal Office for Statistics in Wiesbaden publishes in the middle of December the final November 1979 figures for the rise in the price index for living costs, the rate of price increases will be more realistic than it has been to date; the new price index will be based on the consumer habits of 1976.

The new basket of goods will place greater emphasis on electricity, natural gas and fuel for the purpose of transportation and communication as well as education and entertainment and personal items. On the other hand, the proportion of expenses will be lower for consumer goods: food and luxury items as well as clothing and shoes. Also, some goods and services that have been included to date will be eliminated from the basket and new ones will be added.

Nevertheless, by the end of the year the new inflation index will retain the number five in front of the decimal point. In the past, the introduction of new baskets of goods was, as a rule, combined with a reduction in the rate of price increases. Now, however, the continuing explosion in oil prices is driving up prices continuously. Still, greater emphasis on expenditures for education and entertainment and for personal items--areas in which prices in recent years have been relatively stable--has a dampening effect on increases.

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## JOINT FRENCH, GREEK COMMUNIST APPEAL AGAINST EEC EXPANSION

Paris L'HUMANITE in French 3 Dec 79 p 8

[Text] Greek and French communists reaffirm their resolute opposition to the planned membership of Greece and, more generally, for the expansion of the Common Market.

The Giscard government and the Greek Government claim that this membership is favorable for international cooperation, for the two countries' interests, and would contribute to the strengthening of democracy.

That is false.

Greece's membership in the Common Market will increase its dependence with respect to imperialism, will lead to new restrictions on popular sovereignty and to the strengthening of the authoritarian and antidemocratic methods of government by the monopolies. It would bring about the ruin of several sectors, both industrial and agricultural, which are competing with the corresponding sectors of the Common Market countries. It will strike a harsh blow at the standard of living and at the interests of both city and rural workers.

For France the expansion of the Common Market would bring the greatest harm to the economy, to employment and to social conditions as a whole. It would exert intolerable pressure on large segments of agriculture and industry. At the same time it would be a means of speeding up the process of supranationality through the abandoning of the unanimity rule for that of a majority rule in the Community's decision-making. The two countries would thus find themselves engaged in a process of political and military integration within an Atlantic bloc.

In fact, the only ones to profit from it would be all powerful multinational firms and the big monopolies of the EEC's key powers and, in particular, the Federal German Republic, which today dominate the EEC's political and economic life as a whole and whose sole objective is profit. These powers could without any interference indulge across borders in their policy of excessive exploitation, sell off the sectors not considered profitable, concentrate their activities where conditions for maximum profits would be assured, seek to

bring salaries, conditions and hours of work, trade union freedoms to the lowest levels, increase authoritarianism and aggravate unemployment.

Our countries' workers have just one answer to this plan of the monopolies: Developing joint actions and their fighting solidarity against the monopolistic and Atlantic integration of capitalist Europe and against the expansion of the Common Market.

The two parties call upon the workers to reject the evil trick against their peoples and their countries, which is what Greece's membership in the EEC would be. They consider that scrupulous respect for each country's sovereignty corresponds to the interests of France and of Greece, as well as to those of a solid Franco-Hellenic cooperation directed exclusively by the interests of the two peoples.

1 December 1979

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DETAILS OF NEW PCF WEEKLY PUBLICATION 'REVOLUTION'

Paris L'HUMANITE in French 3 Dec 79 pp 1,9

[Article by Guy Hermier: "REVOLUTION"]

[Text] The new weekly which is going to come into being next February from FRANCE NOUVELLE and LA NOUVELLE CRITIQUE will now bear the title: REVOLUTION.\*

REVOLUTION derives its meaning from the will to place this project at the heart of the major struggles for liberation marking our era.

Everyone can see it: A powerful social and human liberation movement is transforming the face of the world at the same time as the advancement of knowledge and of the sciences has modified the scale of human powers. Conditions are coming together for a new mastery by all men over nature, over their conditions of existence, over society.

This real historic mutation, which the transfer from the old systems of exploitation and oppression to a new civilization constitutes, is not without problems and especially not without struggles. It is the stake of a formidable battle between a world of the past which only continues to exist by reproducing economic messes and social injustices on a vast scale, and a world of the future which is gathering strength through a broad diversity of situations.

In this great movement, which is transforming the contemporary world in depth, at the heart of the confrontation of the ideas resulting from it, REVOLUTION has made a choice. In the face of the unbearable daily life of the slump, of the domination of the media by Giscard, of the dominant discourse on the absurdity of a world without prospects, it proposes to be the weekly for a new strategic goal, for democratic progress toward a self-directing socialism.

Its ambition is to be one of the forums for expression, one of the means for rallying and of struggle for all those who want to work for those changes, for the advancement of democracy and of knowledge, for the emancipation of peoples. It wishes to add to the progress of these struggles by enriching them with new contributions, and of the confrontation, the serious and constructive

\*Temporary offices: 23 rue des Cendriers, 75020 Paris.

debate on the major problems which the implementation of this strategy or the action of the forces of progress in the world cause to emerge.

REVOLUTION intends in particular to address itself to those who reflect on these issues, who want to understand the meaning of the changes in our time.

Each issue will thus be dominated by one "event," which the weekly will endeavor to cover from every angle--institutional, social, economic, ideological, cultural....--a basic problem, which the dominant news source most often seeks to distort or to conceal. In addition to French current political matters and the struggle movement, articles, reports or surveys will broadly cover new issues relating, for example, to the evolution of life styles, to regional aspirations. An important place will be reserved for international life, whether it is a matter of changes occurring in the world, the realities of the socialist countries, or again of Eurocommunism.

REVOLUTION will give considerable space to culture. It will take up developments in the sciences and in technology, the advancement of knowledge, the entire field of literary, cinematographic, theatrical, plastic arts, sports activities... It will endeavor to do so from a perspective having to do with the movement and the struggle of ideas, heritage, contemporary creativity in its diversity.

REVOLUTION should be of interest not only to the present readers of FRANCE NOUVELLE and of LA NOUVELLE CRITIQUE, but to many communist militants or to those of the social movement, to thousands of intellectuals, to young people who want to contribute right now to the struggle to promote a democratic outcome to the crisis. This means that REVOLUTION will not fail to receive, particularly in the coming weeks when a founding subscription campaign is to be launched, the broadest support of the communists, of all men and women who want to help achieve success for this original initiative that is entirely new in many of its aspects.

8094

CSO: 3100

## 'RIZOSPASTIS' DEMANDS NONINVOLVEMENT IN U.S. PERSIAN GULF ADVENTURES

AT281655 Athens RIZOSPASTIS in Greek 28 Dec 79 p 2 AT

[From the "Radical" Column: "Dangers of Involvement"]

[Text] The reports from Brussels which were published in RIZOSPASTIS on Tuesday--without any official or semiofficial denial or rebuttal thus far--insist that, in addition to the support it seeks from all its Atlantic allies in the economic blockade of Iran, the United States is trying to involve our country in its extremist adventurist plans, that is, in the open militarist intervention it is planning in the Persian Gulf area. Washington's persistence is facilitated by the existence and operation of U.S. bases on Greek soil, especially those in Crete, which Pentagon hawks want to transform because of their geographic position and the military infrastructure that exists there, into the operational center for their adventurist campaigns in the Near and Middle East, with Iran as the first target at this stage. Not unrelated to these plans are the "complaints" at this time by certain Washington circles that, because of the anti-Americanism which the parties of the democratic opposition have cultivated and the situation which is prevailing in the southeast wing of NATO, U.S. bases in Greece, especially in Crete, are in danger of losing their usefulness for the defense of U.S. interests in the area. It seems that, during their meeting at the recent NATO conference in Brussels, U.S. Secretary of State Vance bluntly put forth these demands to Rallis. Of course it has not been learned what Rallis' precise answer was. It is a fact, however, that the Americans are persisting and pressuring in all directions with all means at their disposal, and that they are getting ready to send their experts for an on-the-spot examination of conditions and possibilities afforded by their installations in Greece for the implementation of their "advanced" plans. Thus, dangers for our country's involvement are growing daily because our soil is interspersed with U.S.-NATO military installations and nowhere in the Mediterranean does Washington feel its mainstays to be secure for its dangerous and criminal goals. For this reason the demand of all Greeks, regardless of the faction to which they belong, is for the Greek Government to state publicly that in no case will Greek soil

be used in any way for U.S. adventures against any country and to dismantle U.S.-NATO bases and finally disengage us from the aggressive Atlantic alliance, because--and we reiterate this--the cause of evil and all dangers of involvement, whose tragic consequences no one can foresee, stems from the existence and operation of the bases and our country's participation in NATO.

CSO: 4908

## KARAMANLIS ADDRESSES NEW YEAR MESSAGE TO THE NATION

AT011415 Athens Domestic Service in Greek 1920 GMT 31 Dec 79 AT

[Prime Minister Konstandinos Karamanlis New Year Message Addressed to the Nation--read by announcer]

[Text] Greek men and women, on occasion of the new year which in a little while will succeed the old one, I address to you all cordial wishes for your personal and family happiness as well as for your professional advancement.

The change of the year is always an end and a beginning. There are prospects which ran their cycle and dreams which await their turn. There are accounts of what has been done in the past and plans for future endeavors.

It is both personally and nationally useful to indulge in self criticism at such moments, calmly and sincerely. By underlining past achievements we draw optimism and self confidence. By stressing our mistakes we become wiser and we gain more experience, because this is usually the name people give to their past mistakes.

The year now ending is, perhaps, one of the most important ones in our recent history. During this year our country became the tenth member of the European community. In this way it gained the sense of security which it has sought throughout its long history. It thus opened new horizons for the activities of its sons.

It must also be noted with satisfaction that during this year Greece has been a true oasis of social calm and political stability in the midst of a world which was unstable and in anarchy. Over and above this, however, the international prestige and position of our country was also strengthened during this past year while our economy, despite its well known weaknesses, demonstrated noteworthy resilience to pressure from the international economic crisis.



I believe that it is my duty to remind you, once again, that in order to appreciate the current position of the country it is necessary that you compare it both with the past as well as with the lamentable and dangerous situation prevailing today throughout the world.

Together with the rest of the world, however, we are also entering into a period of difficulties, a period which will be a challenge to our national honor and to our personal virtues.

As you know the world economic crisis is already taking on dangerous political dimensions and it threatens the world with an economic and political disorganization.

It is natural that this crisis should also influence our own economy and it dictates the necessity of certain sacrifices. Ignoring this truth is dangerous simplification and hypocrisy.

At the same time, within this international climate Greece must intensify its efforts during the coming year in order to adjust to our accession to the European community and to utilize it. At the same time it must watch over and strengthen its security since our national issues remain uncertain at no fault of our own.

Naturally the issues I have referred to are not, naturally, party or class issues which could become the object of rivalry. They are national issues. The foreign factor is, as a rule, their common denominator. This is why dealing with these issues requires national unity, social cohesion and, primarily, discipline to the common interest. These issues can only be dealt with under a climate of such national unity. History teaches us that every time we ignored these truths we were harshly punished.

I do not believe that I have to insist on my well known admonitions over your behavior as citizens. We all know what is right. We all know the causes of the difficulties which we are facing. We also know that curing them depends to the greatest extent upon ourselves. What we need is the will to do what is right and the courage to take up our own responsibilities. If we are to avoid painful privations in the future it is necessary that today we must painlessly and logically limit our needs, as all the other countries even the strongest ones are doing.

I believe that the new year, despite the adverse forecasts which accompany it, could be a relatively good one. This, of course, only if we conscript all our virtues, the virtues which we possess as a nation and which we ignore usually during good times.

In life as a rule difficulties become the motive for self control, they awaken and intensify our fighting spirit and in the end they lead to new and greater achievements. I believe that this conclusion will be confirmed by the new year.

With this hope I address to you all and to each one of you individually, my best wishes.

## 'TO VIMA' REVIEWS GREEK FOREIGN POLICY IN 1979

AT021525 Athens TO VIMA in Greek 1 Jan 80 p 3 AT

[Article by Man. Ploumidis: "The Year 1979 Was a Milestone in Our Foreign Policy"]

[Text] The year which has just passed will not be an indifferent one in the history of Greece's foreign policy. On the contrary, it will be a significant milestone: First because in 1979 our country's accession to the EEC became official. The formal completion of accession with its ratification by the parliaments of the community's nine members will take place in the new year so that the community can function from 1 January 1981 as a 10-member organization with Greece as its 10th full member. Second, because also in 1979 Greece ceased (for reasons which were delayed by history and because of remnants of ideological prejudices) being one-sided in its foreign relations and restored its relations with the Soviet Union on a position equal to its relations with the forces of the West. Thus, it carried out a kind of modernization in the system of its foreign relations and, as has been successfully reported, it ended the "cold war," belatedly of course in its case.

Parallel to these two significant developments, it restored at a new friendly level its relations with the People's Republic of China which, in our era, is the emerging new great power. Because of its activity during the year, Greek policy also confirmed and renewed--with the energy crisis as an auxiliary factor at any rate--the interest it had always had in the development of its relations with the countries of the Middle East, especially the Arab countries. It also confirmed its interest in good and mutually beneficial relations with the new countries of Africa and it continued the policy of good neighborly relations and closest possible cooperation with the Balkan countries.

Following the democratic change in regime of 1974 and thereafter, Greece's foreign policy has been of course under the guiding inspiration and leading guidelines of Prime Minister K. Karamanlis. Naturally, the characteristic achievements of the past year are due to the same inspiration, guidance and

personal activity. The way this realization is expressed does not conceal either an intention to underestimate or disregard the political significance of the fact that the prime minister's initiatives were accompanied by the broader (as in the case of accession to the EEC) or the total (as in the case of relations with the USSR) approval of the political representatives of the country's popular will.

Speaking in Thessaloniki (8 September) the prime minister described his foreign policy as "multidimensional." The description was disputed by leader of the official opposition A. Papandreou who stated that it concerns merely the beautification of the prime minister's well-known policy which is expressed in the principle that "Greece belongs to the West."

Undoubtedly the exercise of foreign policy in 1979 did not change the country's ideological orientation. However, the significance of the policy as it is shaping up is not merely superficial, it is profoundly substantive. For instance, while accession to the EEC confirms (and perhaps tends to stabilize) the country's "Western" orientation, it does not mean only the participation in a system of economic relations. It also means the acceptance of prospects for a political organization (the European unity) which, if actually implemented, will change the international correlation of forces, not only to the benefit of peace but to the benefit of independence and reduction of the world's tutelage by the superpowers.

In addition, the development of relations toward all directions, ("toward all azimuths" as General de Gaulle used to say) which is obviously the meaning of the "multidimensional" description, does not presuppose ridding oneself of all political commitments but only the exercise of a friendly policy toward all, without ideological prejudices with the implementation of democratic principles in international relations and mutual interest as the yardsticks.

The substance of the "multidimensional" policy in its current Greek meaning obviously lies in the spirit with which it is exercised. To the extent that a spirit of stronger will for independence accompanies "multidimensional" policy, this spirit--for instance as regards return to military NATO--should be sought in the demand that the return be accompanied by the establishment of a "special relationship" so that Greek interests can be served more effectively. With regard to relations with the Soviet Union, the new spirit should be sought, for instance, in the fact that the Greek side's ideological prejudices are disappearing to such an extent that a private enterprise (Neorion of Siros) is allowed to undertake shipbuilding works [Navpiyikes Ergasies] for the Soviet fleet.

The problem for the country's foreign policy is not the description it will be given but whether it will keep the spirit which constitutes the substance of the policy that is currently called "multidimensional."

[ATO21528] In the other issues of foreign policy, like those which constitute the chronic crisis in Greek-Turkish relations, no development was noted during the year to justify hopes for some quick settlement of the crisis.

However, two events should be noted which concern Turkey's stance. One is connected with the change of government which took place in the country in October. The change afforded the opportunity to confirm that Turkish policy in the Greek-Turkish dispute in the Aegean is the same--at least between the two largest parties of the country--to such a degree that it can be said that Turkey has formulated a unitary "national policy" toward Greece. In fact, both parties, the republican people's party and the justice party, claim that Greece should be blamed for the crisis because of its "arbitrary acts!" Both parties agree to the arbitrary claims Turkey is putting forth in the Aegean as well as division of the sea between the two countries, and both parties agree on accusations against Greece for alleged oppression of the minority in Western Thrace. In addition, both parties claim that, because of the violations it has committed of the Lausanne and Paris treaties, Greece has upset the balance the treaties had established in the Aegean. (Concerning the views of the people's party, that is, Ecevit, Okcun, etc., see statements on 10 May, 15 May and 11 October. Concerning the views of the justice party, that is, Demirel, Erkmen, etc., see statements on 24 October, 6 November, 19 November, 22 December and so forth.)

Nevertheless, the Demirel government did not stop claiming (6 November, 22 December) that its steadfast position is to resolve differences with Greece peacefully and to continue the Greek-Turkish dialog concerning which the two ministers, G. Rallis and Erkmen, had agreed that a new meeting between the secretaries general of the two foreign ministries be held in January.

The other event is that Turkey has added a new issue to the Greek-Turkish dispute. Taking advantage of Greece's intention to return to the NATO military wing and threatening that it will foil the return by using its veto, it has demanded that the return be linked with a new definition of operational control in the Aegean air space, but in such a way as to in fact serve its expansionist designs. As is well known, Greece has rejected the Turkish demands and the issue of returning to the NATO military wing remains in suspense.

In the Cyprus issue, too, no positive progress was made. The meeting of President Kyprianou with R. Denktas in May produced a program consisting of 10 points for the solution of the Cyprus problem, but its implementation was foiled from the very first day because of Denktas' demands which were leading to a partitionist solution of the problem. Since then, thanks to its activity, the Cyprus leadership has guaranteed new international credentials for the equitable solution of the problem at the commonwealth

conference in Lusaka, at the non-aligned conference in Havana and at the UN General Assembly. However, as of now no practical results have emerged. Taking advantage of the government change in Ankara, Denktas attempted to implement his fixed goal, that is, the declaration of the Cyprus zone under Turkish occupation as an independent Turkish cypriot state, but was impeded by S. Demirel.

With the year's end, an initiative is expected by UN Secretary General Waldheim for the resumption of the communal dialog which, however, nobody knows when and if will be manifested.

CSO: 4908



## TEXT OF PSI'S PROGRAM FOR CONFERENCE ON THE SOUTH

Rome AVANTI in Italian 1 Dec 79 p 12

[Unattributed article: "PSI Proposals To Overcome the South's Exclusion"]

[Text] [The following] are options for the modification of the extraordinary action for the South and for the strengthening of the southern regions. The text that follows represents the first result of the joint work of the Commission for the Mezzogiorno. The terms of reference contained in the work contribute to engender discussions within the party with the aim of further attaining consistent contributions which describe and detail the issues in view of the PSI meeting dealing with the problems of the Mezzogiorno being readied for January 1980.

1. The progressive deterioration of the economic and social situation in the South, the increase in the gap separating North and South and further developed regions of Europe, the facing of a recession crisis which will affect all developed countries, threaten further still the exclusion of the Mezzogiorno.

Over 30 years of public aid have helped change the demographic and production structure of the southern region, but have failed to spark an autonomous process of accumulation. The degree of dependence of the southern economy on allocations from other regions has increased, while about 70 percent of unemployment, both open and hidden, is concentrated in the Mezzogiorno.

#### The Bureaucratic-Patronage Practice

2. National political economy and community policies have hardly ever been coherent when dealing with southern economic development objectives, and they have brought about concrete measures, the result of which was increased incentives and support from separate strong and developed areas of our economy: With regard to the South, only a policy of [funds] transfers has been activated, benefitting in most part the private sector.

Italian industrial policy, first through preferential credit terms and diverse financial and infrastructural incentives, and secondly with

Law 675 and the law dealing with the financial reorganization of enterprises, has deemed it necessary to place primary importance on the necessity of support and reorganization of enterprises in the Center-North.

Benefits arising from incentives for the Mezzogiorno have been canceled out because of similar benefits available in other areas of the country and because companies which had intended to relocate in the South were subjected to a bureaucratic-patronage practice.

These specific measures, beside those economic and monetary policy decisions taken at the national level, have been the premises for an all-out hoarding of public funds engineered by a select group of chemical and metallurgical companies together with the quiescence of credit institutions, whose omissions the community now has been called upon to answer.

Law 675--following a harsh parliamentary battle which had the aim of shifting to the South those activities which needed reorganization, has revealed itself to be an inadequate instrument due to the cumbersome procedure which has in fact rendered it inoperative.

And yet, in the Mezzogiorno, the crisis of large, primary sector plants and the slowdown of the building industry (which includes about 60 percent of southern industrial employment) urgently require a specific policy whose objectives are the encouragement of [higher] levels of activity and the growth of smaller businesses inserted economically in the market.

There is no trace of all this in the proposals of economic policy put forth by the government, while there is an abundance of pledges and resource transfers to departments and organizations which in turn are not even able to spend in economically significant time frames.

Coherence between overall economic policy, industrial policy and the policy for the Mezzogiorno, constitutes the indispensable building block for the initiation of an autonomous process of accumulation in the regions of the South.

Those problems which beset southern society are now viewed in a different order of priorities than that which had characterized them in the past.

In Italy, the city-country dichotomy largely coincided with that of the industrialized North and the agricultural South. Today the situation is greatly changed: The social-economic crisis of the Mezzogiorno is more noticeably evident in those urban areas where the effects of social organization weakness and degradation are most grave and most immediate.

And while agrarian currents feed dangerous illusions of a return to the past, one must underline the preeminence assumed nowadays by urban and industrial problems, without neglecting the importance of the problems in agricultural and internal regions.

## Reorganization of Action Departments

3. While being aware of the above facts, it is necessary to single out a series of emergency measures which are, from the very beginning, part and parcel of a concerted revision and total reorganization of policies and actions of public departments in the Mezzogiorno.

A preliminary condition, in fact, for a process of sustained accumulation in the South, is the functioning, at a given degree of efficiency, of all the departments and institutions created for the implementation of economic policy for the southern regions.

This is a necessity that has been lacking for too long, because the institutions for the Mezzogiorno have reached their lowest level of activity. The overcoming of management characterized by patronage and almsgiving which took place in the past must start with a radical reform of those departments which have been appointed to deal with the policy of the Mezzogiorno:

- a) the transfer of capital accounts resources to local, regional or communal bodies for the initiation of actions, through institutional channels, with the goal, above all, of increasing social fixed capital and containing the devastating effects of growing unemployment;
- b) through technical assistance programs, bring about the promotion and formation of organizational capabilities, in order to make up for the historical privations of southern society.

In the framework of southern economic recovery a significant role is to be reserved for those concerns with state participation which deal with programs for investment in the South, which function in large part with public funds. Also necessary is the solution of occupational and industrial problems spawned from the numerous crisis points of primary industry (Gioia Tauro, Ottana, SIR, Liquichimica, etc.) whose resolution can also be brought about by collateral initiatives which allow, at the same time, the maintaining of levels of employment.

## The Fund Is by Now Threatened by Sclerosis

4. The upcoming termination of Law 183 offers the opportunity for a thorough reexamination of the working of those concerns and institutions created to enact Mezzogiorno policy and creates an opportune time for their reorganization. It is doubtful that the regions relinquished what was required of them with the institution of the regional disposition, by Article 117 of the Constitution.

The poor operational efficiency of southern regions is also related to replacement activities carried on by the Cassa per il Mezzogiorno [Fund for the South].

Thus, the regions are beneficiaries of actions which entitle them to benefits without bothersome interruptions by intermediate bodies provided for in Law 183.

The transferral of benefits, resources and technical-organizational knowhow in a clear, unencumbered fashion is done with the aim of facilitating their functioning in the sector of management of complex plants and the organizing of mixed holding companies having regional majority.

5. The Mezzogiorno Fund, after almost 30 years of activity will cease in 1980. The organizational sclerosis of the concern argues against the continuation of its existence.

It is therefore a question of disbanding the fund, transferring part of its personnel to the regions and assigning those programs which are already under way and appropriating short duration enterprises with time enough only to bring the works to a completion.

6. The fund's disbanding brings about a possibility for serious consideration of the tasks and limitations of a central agency. In fact, once all the works and undertakings are transferred to the regions' attributed sectors, it becomes necessary to evaluate the necessity of a central organization coupled with the examination of the organization's tasks.

In our opinion, the management of large infrastructures, technical assistance and the formation of organizational capabilities should be handled by a central agency capable of immediately adapting its own makeup so as to be able to solve problems it is called upon to deal with. Furthermore, it ought to adopt typical operational criteria common to the undertaking in order to allow the management offices the task of selecting those strategies best suited to reach specific goals and to be held responsible only for those actions based for the most part on the results attained. That would guarantee the uniformity of direction in the Mezzogiorno of actions undertaken by complex infrastructures.

The new agency, having its own resources, should be tasked with responsibility for action with regard to infrastructure bodies of a national and interregional level and should be able to lend technical assistance to southern regions upon their request.

#### A New Industrialization Policy

With regard to industrialization problems, which must remain the principal objective of the promotional effort, it is necessary to consider that in the 1950's the task involved industrializing a mostly agricultural and rural area, whereas today one is faced with an area characterized by vibrant urbanization and an economy made up largely of the tertiary sector in its most backward forms.



The policy of "poles" was functional in an area of the first type and related to a concept of underdevelopment of the 1950's; now it is necessary to transform an incentive inducing system based on "plants" to one based on "subjects," namely based on employers, undertakings and public organizations which assure their activity.

It is necessary to pass from a strategy of plant location, which for the most part is the result of developmental operations conceived of and administered from outside the area to an efficient "direct promotional" phase which capitalizes on local capabilities.

The principal objectives of the changeover should be:

- elimination of the 675-183 contradictory laws, and establishment of a "single incentive source" to absorb all the existing administrations;
- integration of financial incentives with a "direct promotional system";
- within the financial incentive system itself, integration of fixed capital systems with labor based systems.

#### An Industrial Development Agency

8. As for infrastructure action, this evolution necessitates a profound change in those procedures and administrative offices for promotion.

Industrial promotion should be administered in a uniform fashion by an "Industrial Development Agency" making use of the resources of the "national incentive fund" to which flow all public contributions earmarked for industry.

The "Cassa" [fund] activity in the industrial incentive sector should be completely taken over by the "agency"; at the top of the list should be FI.ME. [Southern Financial (Co), SpA], INSUD [New Initiatives for the South], and FINAM [Mezzogiorno Agricultural Financial (Co), SpA].

9. Incentives must be readministered, insuring timeliness and overtness. The necessity of "overtness," which by the way is required by the Common Market for aids programmed by member states, allows for a concrete evaluation of each specific goal each job is expected to achieve.

Overtness is further necessary to increase the efficiency of the incentives themselves: In fact, experience has demonstrated how a minor but more timely and in its procedures, a more clear incentive, was much more efficient than a larger grant, which had to be obtained through a channel rife with bureaucratic delays and preventive controls. For larger plants, a single preferred credit rate formula should be enacted, commensurate to a given ceiling per employee, as well as to a quota percent of the investment. Outright contributions and preferential credit furthermore should all be integrated with reference to a yearly contribution related to functional employees.



The procedures for obtaining incentives must call for different blueprints for small and large companies; furthermore, they must be guaranteed via a "critical administration process" with binding timetables by which the employer is given specific guarantees on which to be able to make secure plans relating to the time frames and financial fluxes of the investment.

#### Direct Promotional System

10. With regard to the "direct promotional" system, the "Industrial Promotional Agency" should head coordinated units tasked to undertake the following activities for the benefit of the smaller businesses:

- "generic" promotion of possibilities of industrial establishment in the Mezzogiorno and promotional diffusion of knowledge of incentives to Italian and foreign businesses;
- assistance in locating and obtaining of given areas, of building permits and the coordination of those actions from specific infrastructures;
- management and technical assistance, to include the executive sectors;
- participation of industrial initiative in risk capital;
- industrial reorganization (the absorption of GEPI [Industrial Management and Participation, SpA]);
- commercialization;
- incentives for product improvement (for example the financing of prototypes).

The agency will thus be the only point of contact for Italian or foreign businesses, be it dealing with establishment, expansion or management phases of the enterprise.

11. While awaiting the general rearrangement of governmental organization, the abolishment of the position of Minister for Extraordinary Action for the Mezzogiorno and its secretariat cannot be overemphasized, allowing for the transfer of its tasks (without power to delegate) to the Council President.

The yearly programs planned by the two new agencies, for large infrastructures and for industrial promotion should be examined by an interministerial committee to include also representatives of those regions involved, which would approve or reject the programs in their entirety without possibility of additions or modifications.

That would guarantee the "willingness" of the two agencies to implement actions and dispositions the government as a whole shall pass down and discourage action based strictly on regional biases or linked with the influence of this or that minister.

The two agencies should have made available to them funds on a multiyear basis for annual programs to be evaluated each fiscal year.

12. While certainly some questions of an operational, procedural and institutional nature still remain, their solution is the task of those bodies of general principles which have been outlined in this document.

There is finally the matter of Mezzogiorno territorial redesignation. By this, the inclusion of areas or "islands" which are part of the Center-North or which have reached activity levels above those found in the Mezzogiorno, or which have created imbalances in the very regions they are part of, no longer makes sense. Therefore, it will be a question of limiting the area of special action to the regions of Abruzzi, Molise, Campania, Puglia, Basilicata, Calabria, Sicily and Sardinia.

9209

CSO: 3104

CPSU, OTHER PARTIES' CONGRATULATE PCP

LD081541 Lisbon AVANTE! in Portuguese 27 Dec 79 p 2 LD

[Apparant text of messages to Portuguese Communist Party (PCP) from CPSU, other parties; "Greetings From Fraternal Parties"]

[Text] The PCP Central Committee has received from the leadership bodies of other fraternal parties greetings on the occasion of the success achieved by the Portuguese communists and their allies in the recent elections:

From the CPSU

Dear comrades!

The CPSU Central Committee sends all Portuguese communists, their allies and supporters warm geeetings and congratulations for the success achieved in the interim elections for the Assembly of the Republic.

Such a success is the result of the Portuguese communists' implementation of an unyielding political line aimed at defending the Portuguese revolution's fundamental gains and the workers' vital interests.

The Soviet communists express their feelings of combat solidarity with the fraternal PCP and wish it further successes in the struggle for a democratic, independent and peaceloving Portugal.

With communist greetings, [signed] The CPSU Central Committee.

For the Bulgarian Communist Party

Dear Comrades,

Kindly accept our most cordial comradely greetings on the occasion of the great success achieved in the extraordinary parliamentary elections and the municipal elections by the United People's Alliance, of which your party is the principal force.

The election results reaffirm the PCP's considerable influence among all sectors of the population and its important role in resolving the Portuguese people's major problems. The workers' vote of confidence in your party constitutes a further stimulus to developing their struggle to safeguard and consolidate the revolutionary transformations gained since 25 April 1974 by defending the Portuguese constitution, on the road to building and consolidating unity among the country's leftwing and democratic forces. We are sure that, by continuing to implement the principles of Marxism-Leninism and proletarian internationalism, the PCP will gain new positions in the struggle for peace, democracy and social progress.

[Signed] The Bulgarian Communist Party Central Committee.

From the Hungarian Socialist Workers Party

We learned with sincere pleasure of your noteworthy results in the 2 December interim elections for the Assembly of the Republic. We wish you further successes in your struggle for the Portuguese working people's prosperity and for the victory of the cause of socialism and peace.

[Signed] The Hungarian Socialist Workers Party Central Committee.

From the Czechoslovak Communist Party

Dear comrades,

It is with immense pleasure that we greet the success achieved by your party in the interim and local elections. We take this opportunity to send you and all Portuguese communists our sincere and fraternal greetings.

Your party's success has clearly confirmed that the PCP's policy is in line with the vital interests of the working class and the entire working people and receives their broadest support. It is also a convincing victory for your party's fundamental policy, based on the principles of Marxism-Leninism and proletarian internationalism.

Dear comrades, we express to you our solidarity and assure you that we will strive to extend and intensify our fraternal ties in the interests of strengthening peace, democracy and socialism.

[Signed] The Czechoslovak Communist Party Central Committee.

From the Communist Party of Cuba

Esteemed comrades,

We learned with great pleasure the news of the great advance achieved by your party in the recent legislative elections. The successes achieved by the Portuguese communists constitute an important contribution to the Portuguese people's social progress. Under the new and difficult conditions

under which you will have to wage your struggle, the unity of the progressive forces which your party has always advocated is of extraordinary importance.

On this important occasion, we would like to reiterate to you our feelings of friendship and unbreakable solidarity.

[Signed] The Communist Party of Cuba Central Committee.

From the Communist Party of India

Comrade Alvaro Cunhal.

Portuguese Communist Party.

Please accept joyous congratulations on your great victory.

[Signed] Rejeshwar Rao, secretary general of the Communist Party of India.

CSO: 3101



## TRADE DEFICIT FOR FIRST HALF OF 1979 IMPROVES OVER 1978

Porto O PRIMEIRO DE JANEIRO in Portuguese 28 Nov 79 pp 3, 4

[Text] Portugal's trade deficit in the first half of this year was 65.3 billion escudos, according to data published by the National Statistical Institute. The deficit was the product of 143.7 billion escudos in imports and 78.4 billion escudos in exports.

The negative balance is 700 million escudos smaller than that for the same period in 1978. Imports and exports rose by 25.5 percent and 61.6 percent, respectively, and the rate at which exports covered imports rose from 42.4 percent to 54.6 percent.

Portugal exported 44.9 billion escudos' worth of merchandise (57.2 percent of total exports) to the Common Market, 17 billion escudos more than in the same period in 1978.

Imports reached 60.8 billion escudos (as against 50.5 billion escudos in the first half of 1978).

Basic to this improvement in the trade deficit with the EEC (down 6.7 billion escudos from 1978) was our trade with the United Kingdom, which went from a deficit of 2.2 billion escudos to a positive balance of 1 billion escudos.

Our trade deficit improved with respect to all the EEC countries except the FRG, from which Portugal imported 18.3 billion escudos' worth of merchandise (25.3 percent more than in the first half of 1978), and to which Portugal exported goods worth 10 billion escudos (up 51.5 percent).

Angola: Good Client

The rate at which exports covered imports in the Common Market area developed in Portugal's favor, going from 55.2 percent to 73.8 percent.

With the countries of the "old escudo zone," imports totaled 1.3 billion escudos (71.9 percent more than in 1978) and exports totaled 3.5 billion escudos (up 38.1 percent), resulting in a positive balance of 2.2 billion escudos, 500 million escudos higher than in the same period in 1978.

Portugal's major client in this area was Angola, whose imports reached 2.2 billion escudos (104.3 percent more than in 1978).

Portugal's major supplier was the People's Republic of Mozambique. With exports worth 800 million escudos (up 39.6 percent), Mozambique was the only one of these countries to register a positive balance (300 million escudos) in trade with Portugal.

In trade with the OECD countries, the deficit was 42.5 billion escudos (down 3.9 billion escudos from the same period in 1978).

The rate at which exports covered imports rose from 46.4 percent to 60.2 percent.

With the group of countries in the EFTA, the deficit was 1.8 billion escudos, exactly half that for the same period in 1978.

The negative balance with Switzerland, which stood at about 2.6 billion escudos in 1978, worsened in 1979, reaching 3.2 billion escudos.

The rate at which exports to EFTA covered imports developed in Portugal's favor, going from 62.5 percent in 1978 to 84.1 percent in 1979.

#### Trade With COMECON

In the period under study, trade with COMECON produced an improvement of the deficit, from 2.8 billion escudos in the first half of 1978 to 1.4 billion escudos in the same period in 1979.

This development is due basically to a shrinking of the deficit with the Soviet Union, owing to a drop [(line of type deleted) in imports to] 2.4 billion in 1979, and an increase in exports from 600 million escudos in 1978 to 1.8 billion escudos in 1979.

About 83 percent of the value of imports from the USSR is represented by petroleum (2.4 billion escudos in 1978 and 2 billion escudos in 1979.)

The rate at which exports to COMECON covered imports improved, from 31.7 percent to 70.2 percent.

Among the countries of the world for the period under study, the largest deficit was in our trade with the United States, with 12.9 billion escudos in imports and 5.1 billion escudos in exports.

Grain (wheat and corn) valued at 10 billion escudos represented 55.6 percent of imports from the United States and 7 percent of total imports in the first 6 months of this year.

Mineral products represented the largest expenditure on imports, with 28.5 billion escudos (21.5 billion escudos for petroleum alone, the major suppliers being Iraq, 10.1 billion escudos, and Saudi Arabia, 6 billion escudos. This figure is 44.3 percent higher than in 1978).

The principal export products were "textiles and textile products" (23.9 billion escudos).

6362

CSO: 3101

## ECONOMIC AGREEMENT SIGNED WITH GDR

Lisbon DIARIO DE NOTICIAS in Portuguese 30 Nov 79 p 2

[Text] The Portugal-GDR Joint Commission concluded its proceedings in Berlin with the signing of an economic and scientific cooperation accord, providing for the adoption of steps to develop bilateral relations in the next few years.

The agreement was signed by the GDR's assistant foreign trade minister and by Fernando Aguas, Portugal's secretary of state for foreign trade. It includes an accounting of cooperation between the two countries.

During his stay in Berlin, the Portuguese government representative was received by the GDR's foreign trade minister.

Meanwhile, Frank Bochow, the GDR ambassador, paid an official visit to the city of Guarda, where he met with local and regional officials. The ambassador's visit was part of a program of trips to several parts of the country to learn about their problems.

In statements to ANOP in Guarda, Ambassador Bochow said that his country's relations with Portugal are good and show excellent prospects for development. He stressed the importance of the meeting of the joint Luzo-German commission, noting that Berlin and Lisbon had already signed several agreements in such varied fields as health, culture, economics and science, in addition to the existing cooperation between the two countries in radio and television.

"Relations between Portugal and the GDR," he said, "have been developed within the spirit of the Helsinki Accords, which stress the need for peaceful cooperation between states with differing regimes."

6362

CSO: 3101

## PCP SENDS GREETINGS TO ANGOLA'S MPLA

Lisbon AVANTE in Portuguese 15 Nov 79 p 2

[Text] "Dear Comrades,

"On the occasion of the fourth anniversary of the independence of the People's Republic of Angola [RPA], the Central Committee of the Portuguese Communist Party [PCP] offers a warm and friendly salute to the Central Committee of the MPLA-Labor Party, to all party members and to the heroic people of Angola.

"The building of the new Angola, oriented toward socialism, has great consequences beyond the bounds of the African continent, and constitutes a powerful incentive in the struggle to liberate the peoples of Namibia, Zimbabwe and South Africa, under the leadership, respectively, of the SWAPO, the Patriotic Front and the ANC.

"In the gigantic achievement of the Angolan people, directed by the MPLA-Labor Party, is seen the indelible mark of the beloved and lamented Comrade Agostinho Neto, distinguished revolutionary, in whose memory the PCP banners are inclined in salute.

"The Portuguese communists once again repudiate and condemn the South African attacks against the sovereign territory of the RPA, just as they have unmasked and fought the Portuguese colonialists and noncolonialists who protect the Angolan traitors in the pay of foreign imperialists, furthering their conspiracies against the RPA.

"To the MPLA Central Committee, directed by Comrade Jose Eduardo dos Santos, to all the party members and to the Angolan people, the PCP pledges its active solidarity in the building of the new Angolan society, free from the exploitation of men by men.

The Portuguese communists will continue their actions to further strengthen the many ties of solidarity, friendship and brotherly cooperation between the PCP and the MPLA-Labor Party, based on the unshakeable principles of Marxism



Leninism and proletarian internationalism, certain that this effort will help strengthen the existing relations of friendship and cooperation between our two peoples and countries, as well as the common cause of peace, social progress and socialism."

"Central Committee, Portuguese Communist Party."

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CSO: 3101

## BRIEFS

PCP DELEGATION IN ALGERIA--A PCP [Portuguese Communist Party] delegation, comprising Comrades Aboim Ingles and Americo Leal, of the PCP Central Committee, attended the commemorations for the 25th anniversary of the beginning of the armed struggle for liberation of Algeria, from 30 October to 2 November. The presence of the PCP delegation at these commemorations--for the first time--helped to strengthen relations between the PCP and the FLN. [Text] [Lisbon AVANTE in Portuguese 15 Nov 79 p 2] 6362

CUNHAL, HAWI MEET--During a stopover in Lisbon, Georges Hawi, secretary general of the Lebanese Communist Party Central Committee [CC/PCL], was received by Alvaro Cunhal, secretary general of the Portuguese Communist Party [PCP]. Hawi was accompanied by Nadin Abd Alsanad, member of the Political Bureau and secretary of the CC/PCL, and Melhem Abou Rizk, member of the CC/PCL. The meeting, which took place last Friday, was also attended by Sergio Vilarigues, member of the Political Committee and Secretariat of the CC/PCP, and Antonio Angelo, of the International Section of the PCP. There was an exchange of information on the situation in the two countries and the activities of their respective parties, as well as the situation in the Middle East. Emphasis was placed on the importance and repercussions of the World Conference of Solidarity with the Arab Peoples, held recently in Lisbon and on its principal issue, Palestine. The meeting took place in an atmosphere of fraternal and friendly solidarity, which characterizes relations between the PCP and the PCL, based on the principles of Marxism-Leninism and proletarian internationalism. [Text] [Lisbon AVANTE in Portuguese 22 Nov 79 p 2] 6362

CSO: 4401

## PCE ORGAN EDITORIAL DISDAINFUL OF HOSTAGES IN IRAN

Madrid MUNDO OBRERO in Spanish 2 Dec 79 p 5

[Editorial: "The Pentagon, the Source of the Contamination"]

[Excerpts]      Hold your nose, dear reader, when the TV news separates the good potatoes from the bad. Those who condemn divorce are good and handsome, and those who condemn the Americans are bad.

I had come to think that the lives of the 39 officials at the U.S. Embassy in Iran were the most precious lives in the world. So, I put on my diver's suit and plugged it into the television set; the air waves were decontaminated, and I was alerted to the issue.

It is true that the threat to try and execute the 39 American officials represents an assault on the rights of diplomats and the international rules of the game. If we recall, however, that every day thousands of children throughout the world die of starvation and diseases precisely because of the unsupportive, aggressive and cynical policy of the United States and other exploitative, plundering nations, we come to the conclusion that the beginning of our news programs does not reflect the realities of the world in which we live. Even if we assume that the Americans are not spies, their lives are not more important than those of the four billion human beings who are exposed to a thermonuclear war. We also discover that four out of five Americans favor military intervention in Iran and want Uncle Sam to go in with the atomic stick and contaminate us all with a lot of megatons. Why don't they ask four out of five Spaniards, four out of five Vietnamese or four out of five Iranians about the problem?

The contamination is really very serious. The carbon dioxide is caused by three U.S. and one Spanish agency and a half-dozen newspapers owned by bishops, bankers and the bourgeoisie, which distort reality and fill our brains with smoke. They have slandered the labor leaders who are struggling intrepidly in the Cortes against the contamination and the starvation that the employers' association

wants to force on us. They distort the statistics concerning the Workers Commissions strikes, deceive us regarding the true interests of private education and conceal hunger, unemployment and poverty. They glorify the lock-out, the pope and the 39 U.S. citizens and insult those who are struggling for peace and equality.

They will never tell us that the 39 Americans, more than half of whom are spies, merely represent a political pretext so that one of these days the Americans can invade Iran and again strip Third World nations of raw materials, freedom and peace. The contamination comes from the Pentagon and all of its television stations and parochial news sheets.

8743

CSO: 3110

## 'SPANISH DEMOCRATIC RIGHT' HOLDS FIRST CONGRESS

Madrid YA in Spanish 9 Dec 79 p 13

[Article: "The DDE Against the Fragmentation of the Right"]

[Text] The Spanish Democratic Right [DDE] opened yesterday [8 December 1979] its first national congress of a constituent character which was attended by about 400 delegates from 40 provinces in which the party is established. Yesterday, after the welcoming speeches by the president of the organizing committee, Federico Silva Munoz, and the president of the Madrid section of the DDE, Jose Martinez Emperador, the officers of the congress were elected. They were Manuel Vargas Zuniga, Concha Leva, and Venancio Hernandez. The organizing committee which concluded its activities yesterday consisted of Federico Silva Munoz, Gonzalo Fernandez de la Mora, Pedro Mendizabal, Luis Jaudenes, Jesus Barros de Lis, Rafael Jaume, Antonio Mendez, and Jose Martinez Emperador.

Following the election of the officers of the congress the delegates were divided into the four working committees which discussed the reports on the political situation, the safety of the citizenry and public order, the state of the economy, and internal organization.

The political report was presented by Pedro Mendizabal who said that the DDE "is not one more party of the Spanish right, which is born and develops in order to take political space away from other more or less related forces. We feel that the outdated and dangerous fragmentation of the right demands the establishment of a political movement that may serve to catalyze and integrate an enormous number of Spaniards who are today members of various political parties and who consider themselves to belong to the right."

Later Pedro Mendizabal added that the DDE did not wish to join the lists of such parties as the New Force, the Popular Alliance, the Spanish Falange, and the UCD [Democratic Center Union]. He also rejected any obsession with power on the part of the leaders of the new party: "We do not seek sinecures. We are only concerned with our suffering Spain which, because of the systematic and repeated errors of a weak government, lack of authority



and accomplishments, subjected and sold out in the face of constant Marxist pressures, sees how its well-being is gradually undermined and how unemployment and terrorism are on the rise." As for the problem of the regions the report advocated the promotion of regional balance.

Manuel Funes Robert gave the economic report which referred to the development-oriented policy of the 1960's with full employment and industrialization in Spain. He contrasted that period with the present situation involving 1 million unemployed and a generalized economic recession. The report mentioned the possibilities of solar energy and tourism in Spain, as fundamentals of the Spanish economy in the future.

Ismael Medina was the chairman of the committee on citizen safety and public order. He expressed in catastrophic terms the existing situation, referring to the high levels of delinquency and the scourge of terrorism.

Finally, Rafael Jaume gave the report on internal organization in which among other items he discussed the number of individuals who are members of the DDE's central committee, in which connection figures of from 20 to 30 persons are mentioned haphazardly.

Today [9 December 1979] at 1000 hours in the morning, the full congress will debate the conclusions reached in the committees and later the election of the party officers will be held among those candidates seeking the positions. The election of Federico Silva Munoz as DDE president is taken for granted even though he has announced that he will not seek the position but would accept having some members of a slate of candidates include his name in it.

2662

CSO: 3110

## BREAKUP OF LEFT WING IN PSOE MADRID ORGANIZATION

Madrid EL PAIS in Spanish 11 Dec 79 p 15

[Article by Joaquin Prieto: "Pyrrhic Victory of Joaquin Leguina in the PSOE of Madrid Following the Breakup of the Left Wing"]

[Text] Economist Joaquin Leguina, financial adviser at the municipality of Madrid, is filling since yesterday [10 December 1979] the position of general secretary of the PSOE [Spanish Socialist Workers Party] of Madrid having been elected by 27 percent of the latter's votes. This is the result of the congress held over the weekend through dawn on Monday by the Socialist Federation of Madrid, characterized by tough maneuvers. The out-going general secretary, Alonso Puerta, tried unsuccessfully to be re-elected despite the fact that his earlier leadership had been disapproved by a vote of 6,000 to 90. The party's left wing suffered a spectacular internal breakup, losing the possibility of securing the party's executive, which had stood within its reach.

The Madrid Socialists produced six or seven draft agreements and initial agreements in less than 14 hours. These were successively broken by those who had just negotiated them. The day of Sunday and the dawn of Monday were characterized as an "absolute exercise in internal democracy" by some sources and as a "chaotic situation" by others. Hundreds of individuals discussed matters in the chamber of the congress, the corridors, the lobby, and even in the streets. A series of confused meetings took place and at times draft agreements were made in the presence of newsmen and even of any citizen who happened to push open the street door, naturally not guarded by anyone, if he had wished to witness the spectacle.

Felipe Gonzalez, who reached the site of the congress at 1830 hours on Sunday afternoon [9 December 1979]--with the theoretical intention of delivering the closing speech--ran into the situation just described and had difficulty finding an empty office where he could wait for the decision on whether he should address the congress or not. "Any niche is sufficient for me," said the PSOE leader to the party's organizational secretary, Manuel Abejon, who helped look for space. At the end Felipe Gonzalez was able to make a speech for the occasion in which he tried to clarify that the

new PSOE-Madrid executive, whatever it might be, would be respected by the federation executive. At the same time he wondered if there would not be a way to approve some day some bylaws that would be effective for 10 years by way of a general enforcement of a sense of responsibility.

### Feverish Negotiations

Felipe Gonzalez received a fair amount of applause but the truth is that his speech hardly changed the course of events.

At the sight of the situation Felipe Gonzalez left discreetly. Luis Gomez Llorente also went to the congress where he advised his presumed partisans--the "critical wing" of the PSOE of Madrid--on a synthesizing solution and, if that were not possible, the maintenance of the pact between the "third alternative" and the "critical wing" which had been operational during the earlier meetings at the special PSOE congress. He failed in his motions, among other reasons because he declined the offer of heading the slate as general secretary and he left for whence he had come.

Night fell and then the new day began, and minutes before the closing of the deadline for filing slates the left wing of the PSOE--the Socialist Collective--held an assembly paralleling the congress where a total internal break occurred. The most radical elements headed by Carlos Lopez Riano stuck to their own slate up to the end. In this way the so-called Socialist Collective, the most leftist wing of the PSOE of Madrid, broke up.

### Three Lists

Once the deadline for filing slates closed at 0230 hours at dawn on Monday three lists were in the ring led, respectively, by Joaquin Leguina (moderate wing), Alonso Puerta ("third alternative"), and Carlos Lopez Riano (Socialist Collective). A fourth list also appeared with Manuel de la Rocha--an individual close to Luis Gomez Llorente--as candidate for general secretary, in an attempt to link up with the "third alternative" and the least radicalized sector of the "critical wing." But De la Rocha withdrew immediately and only the three slates mentioned earlier remained.

Still, a truly singular event for a congress such as this occurred, namely, the chairman of the group of officers--Modesto Noya, candidate on the slate of the Socialist Collective--rejected the inclusion of the candidacy of Alonso Puerta because it was filed 8 minutes after the deadline. In the midst of the weariness and nervous tension of those moments, some members of the congress brought pressure for revocation of the decision of the group of officers and the latter did not consider that the slate of the "third alternative" had been filed until a nominal vote of the participants turned down its earlier decision.

Under these circumstances the candidates for general secretary took their stand on the rostrum in turn to defend their respective positions. The

session became a jumble of political attacks in which everyone tried to demonstrate that it was the others who were the bad guys and that, in truth, no one is free from sin. Lopez Riano (Socialist Collective) protested that congresses such as the latter could be held where "we claim our rights and we leave the party." Leguina self-proclaimed his candidacy as the only consistent one and said that the struggle for power is legitimate but that it should not involve breaking up the party--"some colleagues believe that their ambitions have priority over the party and society"--and Alonso Puerta affirmed that "here there are no pure stands" and that the rejection of the administration of the previous executive also involved members of other slates who had participated during earlier stages of the Madrid Federation. In turn a dark future for the UGT [General Union of Workers] of Madrid was predicted because its problems are "extremely grave," according to Puerta.

Once the vote was taken and the appropriate ballots were counted the slate of Joaquin Leguina received about 2,500 votes while that of Alonso Puerta secured 2,400 and the Socialist Collective got around 1,800 votes," in addition there were about 1,000 blank votes and another 1,000 or so abstentions. The winning slate included, besides the name of Joaquin Leguina, those of Feliciano Paez (president), Jose Acosta (deputy general secretary), Luis Perez (political relations), Virgilio Cano (organizational secretary), Julio Rodriguez (studies and programs), Enrique Gomariz (training), Reyes Mate (mass media), and Juan Barranco (general secretary--[sic]), among others, all of them belonging to the moderate wing of the PSOE of Madrid.

#### Unstable Situation

The political consequences of this congress go beyond the confines of the PSOE of Madrid. Heading the latter there is now, on the strength of fewer than one-third of the votes, the wing which has suffered systematic setbacks this year but which is observed with sympathetic eyes by the federation executive. The president of the Madrid delegation, Carlos Revilla, has found himself stymied by the weakness of the "third alternative" in presenting himself on the list of Alonso Puerta. And the latter has not only lost his general secretaryship but his position as deputy to the mayor and Socialist spokesman in the municipal government can see itself conditioned by the presence of one of his "historic" enemies, Juan Barranco, in the municipal secretariat of the Madrid federation.

On the other hand the individuals closest to Luis Gomez Llorente--Enrique Moral, Manuel de la Rocha--failed in their effort to represent themselves as a solution and the Socialist Collective, which contributed most to the bases of the "critical wing," has emerged greatly divided.

2662

CSO: 3110

## PCE MADRID COMMITTEE MEMBER ON MEANING OF EUROCOMMUNISM

Madrid MUNDO OBRERO in Spanish 2 Dec 79 p 10

[Article by Moises Cohen, a member of the Madrid Provincial Committee: "Against the Membership Crisis: Eurocommunist Policy"]

[Text] I think that the article "Membership Crisis and Social Crisis" published by Carlos Rodriguez in MUNDO OBRERO on 15 November is important because it contains elements with which we can analyze more deeply the resolutions that our Central Committee formulated at its plenum in Cordoba and because it contributes very valid ideas for undertaking our party's much needed drive to gain new members and win back old ones. Therefore, I disagree profoundly with the article that Luis Cabo published a week later criticizing Rodriguez's article by means of the old method of taking sentences out of context and judging them in a commentary style befitting the worst Marxist literature of the past.

Following the line of reasoning of Carlos Rodriguez's article, I feel it is important to delve further into a number of areas:

1. The internal realities of the party and the Eurocommunist political program are out of step; in other words, organizationally we are far below our political potential. Moreover, we are forced to expand our organization and enhance our working methods in a complex and difficult era of economic, social and cultural crisis. The ruling classes are utilizing the crisis to disorganize the lower classes still further by depriving them of new instruments of associations, fostering unionism and rendering democratic institutions only relatively useful, etc. All of this leads us to the first conclusion for a Marxist and revolutionary party like ours: the political struggle today is more complex than in the past, and this means that we Communists must be as firm and combative as we are rigorous in investigating the new facets of the struggle for socialism and communism. It also means that we must abandon old formulas and enhance our tools of analysis by creating a broader vocabulary that is more at the level of the average citizen.



2. Eurocommunism does not consist solely of the admission that the democratic path towards socialism is the only possible way to launch the revolution in Spain. That is the fundamental error in Luis Cabo's article. In capitalist Europe and, of course, in Spain, many Communists say that they support the democratic path towards socialism because, given the far from favorable balance of forces for Communist parties, "there's no other way." In fact, that was the reasoning of many PCE [Spanish Communist Party] comrades who wanted to retain our party's Leninist character at the Ninth Congress.

But that is not what Eurocommunism is. Eurocommunism is much more. It is the conviction and acceptance, to its ultimate consequences, of the principle that we Communists should try to be the prime defenders of political freedoms and human rights at all stages of the process of democratizing economic and social life. This entails many things that Eurocommunist political theory has not yet developed completely: an approach to the struggle in democratic institutions (which are no longer merely the "resonance box of the struggle of the masses"); a mutually enriching relation between representative democratic practices and rank-and-file democratic practices, which include new ways for the workers and the citizens in general to organize themselves and which are the people's way of responding to the contradictions created by advanced capitalism; a serious desire to reconstruct the political unity of the European labor movement, which has been shattered since 1921, and, therefore, a new proposal for understanding between Socialists and Communists; a study and assessment of the objective changes that have taken place within the working class, and tied to this, a policy of strategic alliances that breaks up the simplistic "bourgeoisie-proletariat" arrangement, etc.

3. The simplistic and superficial division that we often make between "laborers and intellectuals" is not going to take us anywhere. If there is anything in Carlos Rodriguez's article with which I disagree, it is the excessive moderation and care with which he broaches this issue. I think that there are times in the life of our party when we have to be highly critical in properly analyzing and rectifying the mistakes we have made. In this regard, we must acknowledge that there has been more labor movement influence in the party than in the past, so that we can proceed to really tackle this problem. I feel that it is important to recall something that we already appreciated at our party's Eighth Congress in 1972, namely that thanks to our party's policy, the traditional labor movement and other movements of non-manual workers were moving towards a convergence, so much so that "even a segment of the forces of culture constitutes a labor movement," using the term "labor movement" as it ought to be understood in the Spain of recent decades, not as it was understood 50 years ago.

There are hundreds of us in the Spanish labor movement who, having had university training, have constructed the union in our branches and have directed and are directing party committees that have given rise to the communist associations in companies. Based on my 2 years of experience as provincial secretary of the glass and ceramics union of the Workers Commissions and an additional 2 years as political secretary of the Northern Federation of the Madrid organization, I feel that the basic problem is that there are still serious misunderstandings about the party's policy both on the part of the groups of comrades who are basically involved in union tasks and those mainly involved in party activities. I feel that it is absolutely absurd to point to the non-blue-collar occupations of certain comrades in order to reject political stands that are different from one's own.

4. The left, and Communists in particular, must develop major elements of the society that we aspire to build, in our own midst, in our own internal workings. Left-wing and right-wing politicians differ not only in the class interests that they defend, but also in the type of relationships that they establish with party members and the people in general. In contrast to what Luis Cabo contends, the leaders of the Democratic Center Union and Democratic Convergence do not share the concerns that characterize left-wing political leaders in connection with subjecting their parties to direct scrutiny and monitoring by the people and with establishing methods of democratic control and stock-taking, as well as formulating policy on the basis of group discussion among tens of thousands of members.

The gap that still exists between worker parties and society, and within the parties between leaders and members, is a very serious problem that ought to make us reflect on our working practices, which are still warped by our underground tradition and the old approaches inherited from Stalinism, according to which the party is an end in itself, not a powerful tool of the working class and its allies for the socialist transformation of society, as it should be. As the report of the Second Conference of the Northern Federation says, if we do not correct these habits of our political work, it could ultimately turn out that even though we have a correct policy, we will not succeed in developing the democratic process and the march towards socialism as much as we ought to. Our party democratically elects its leaders and the comrades who are to occupy public posts, and it chooses those whom the majority feel are best suited. But the legitimate competition that this entails must not degenerate, as it at times has, into internal political mudslinging by our intermediate-level personnel, into scheming for positions and into odd coalitions in which political stands are what count least.

If we want to make this leap forward in the organizational sphere, we ought not to downplay the importance of revolutionary ethics, which, as regards relations among Communists, are necessarily at variance with the continued existence of bossism, the exchange of favors and the affixing of labels and stigmas.

8743

CSO: 3110

## CREDITS GRANTED TO EQUATORIAL GUINEAN GOVERNMENT

Madrid EL PAIS in Spanish 6 Dec 79 p 39

[Article by EFE: "Spain Grants \$23 Million in Credit to Equatorial Guinea"]

[Text] Malabo--Yesterday [5 December 1979] Spain signed a financial agreement with Equatorial Guinea under which credits were approved for the former Spanish colony for a total of U.S. \$23 million to be earmarked for the reconstruction of Equatorial Guinea following the presidency of Francisco Masie Nguema, which literally bankrupted the Guinean economy.

Furthermore, Spain has spent billions of pesetas in miscellaneous grants, including the expenses involved in the shipment of Spanish aid which is being sent on Spanish vessels and planes.

Following the talks with the Guinean authorities in which representatives of eight Spanish ministries took part, besides the cited agreement the approval of a FAD [Development Financing Aid] loan granted by the Institute of Public Credit, which is under the jurisdiction of the Ministry of Economy, was arranged.

In keeping with the urgent needs of Equatorial Guinea, in line with the wishes of President Teodoro Obiang, and in light of Spain's resources, the approved credits will be used as follows: In the field of public health (\$3.5 million), for the hospitals of Bata and Malabo, as well as the leprosarium of Likomesen. A sum of \$2 million will be allocated to education, \$1 million to transportation, and \$1 million for housing and infrastructural facilities.

This credit is also slated for the financing of an ice-producing plant, for the river network, fuel supplies, as well as the fishing sector.

An amount of \$5 million is to go to agriculture for the production of consumer food items. A similar amount is earmarked for the realization of undetermined industrial projects, while another \$500,000 is to cover assistance and the settlement of debts, among other projects.

Attending the signing of the agreement was the president of Equatorial Guinea, Teodoro Obiang. Before the signature an analysis was made of the results achieved in the talks of the joint committee.

The Spanish delegation left Malabo yesterday evening for Dakar where it will sign a fishing agreement and a maritime transport agreement with the Senegalese authorities.

2662

CS0: 3110

ERRATUM: In JPRS 74742, 10 December 1979 No 1514 of this series p 126, in the article titled, "Article Looks at Spanish Aid Bill for 1980, Double 1979," please delete the question mark in para 3 line 6 and insert [Mediterranean Petroleum Inc]; in line 7 please change [Liberian Petroleum to [Iberian Petroleum Inc]; and also in line 9 please change [Norwegian Petroleum to [Northern Petroleum Refinery, Inc.]



## FOREIGN TERRORISTS USE COUNTRY AS WAY STATION

Zurich DIE WELTWOCHEN in German 28 Nov 79 pp 4, 5

[Article by Marcel H. Keiser: "Turntable of Terror"]

[Text] The gratification over the arrest of Rolf Clemens Wagner following the armed robbery at the Schweizerische Volksbank in Zurich, in the course of which a woman was killed and one woman and two policemen were injured, is overshadowed by the fear of further attacks: Where have the three accomplices disappeared? Are preparations under way for Wagner's liberation?

With Rolf Clemens Wagner (35) one of Germany's most wanted terrorists has been caught in the net of Swiss justice. This former student of economics, who disappeared into the underground in 1974, is specifically credited with a key role in the kidnaping and murder of Hanns Martin Schleyer, president of the German Employers' Association.

Last year Wagner benefited from Yugoslavia's nationality problems, following his arrest, together with three companions, on 11 May 1978 in Zagreb. Yugoslav authorities immediately tried to work a trade: The four Germans were to be extradited if Bonn would in exchange turn over eight Croats who were accused by Belgrade of criminal antigovernment activities. The FRG refused, and consequently Wagner and companions were able to disappear to a still unknown country--with Tito's blessing.

The Yugoslav government carried out this act, which was criticized throughout the world, in November 1978. For an entire year there was no trace of Wagner--until in Zurich, Monday of last week, when he again left behind his bloody calling card. Following the dramatic event at the Limmat River the question is now raised whether the federal and cantonal police authorities have slackened their watchfulness and are observing the terrorist scene with less intensity. Such conjectures, however, are firmly rejected by the authorities.

For some years now close contacts have existed between the chiefs of security and intelligence services of nine European countries for the purpose of

exchanging information and general knowledge concerning terrorism and counter intelligence. The directors of these services--among them the chief of the [Swiss] federal police--meet twice yearly in order to evaluate the situation and to set priorities for their tasks.

The arrest of Rolf Clemens Wagner caused a latent fear to come to full life in official circles in Bern and elsewhere--namely the possibility of attempted liberation. Thus one can imagine a coordinated international action in which the release of Wagner as well as of Gabriele Kroecher-Tiedemann and Christian Moeller could be included in a catalog of demands. The latter two are presently serving long prison terms for the bloody drama at the border crossing point Fahy in the Jura Canton.

The watchword is thus prevention. During the last few years more and more diplomatic missions in our country have asked for protection for their members and facilities. Based on the circumstances and the degree of danger, police patrols make more frequent rounds; a continuous surveillance is maintained; or permanent protection is provided. A number of foreign missions in Bern are now permanently linked to the police alarm system.

The Security Committee of the Federal Administration, presided over by the federal prosecutor, has the task of providing protection for those buildings in which department chairmen have their offices. Furthermore, specialists attempt to raise the security consciousness of threatened persons through direct contacts. Following the issuance of guidelines in 1976, in which the principles of self-protection against kidnappings and attacks were presented, the committee issued a handbook the following year concerning personal conduct and possible contributions toward security at the place of work.

The successful struggle against terrorism does not start, however, after the actual deed has been carried out. Rather of eminent importance is the preliminary work designed for early recognition of the formation of criminal groups. But precisely in this regard little has been accomplished here so far. On the one hand the legal bases for control measures (such as surveillance of mail and telephone) are frequently lacking, and on the other hand the revision of the penal code, which is designed to correct the problem, is already the subject of a bitter quarrel. And the planned electronic "Criminal Investigation Information System" (KIS), which could substantially strengthen the powers of the protectors of law and order is presently caught in a mesh of legal and technical snares.

Terrorists and their sympathizers develop their activities on three levels --namely on the legal level, the illegal level and in prison. The behavior of incarcerated terrorists differs markedly from that of "common" criminals. While the latter hardly ever cause problems for the police after their committal to prison, politically motivated criminals attempt to operate from within prison--partly with considerable success.

The Federal Prosecutor's Office has reasons to believe that Gabriele Kroeher and Christian Moeller are making efforts to take that route; to utilize their contacts and to influence terrorist activities. Their activities, however, concern matters outside the country and are thus not part of the "Swiss Scene."

Heretofore Switzerland hardly had to concern itself with terrorists who operated on the illegal level--out of the underground. Even now there are no concrete indications of illegal machinations in our country. The political gangsters have stayed in Switzerland under assumed names and have had contact with local people. It is not exactly known what the terrorists did here or, in fact, what they prepared while here. In any case, it has been proven that they acquired weapons, explosives and identity papers for foreign organizations.

It is equally difficult for the police to determine the range of activities of those persons active within the framework of the law. Groupings of such elements are, however, known to exist in Switzerland. Judging by an internal document they are identified as "Red Aid," "Black Aid," "Red Stones," "Red Zora," etc. The document addressed to police authorities further noted that the sympathizers, heretofore not centrally organized, generally benefit as a result of their large numbers, which make it difficult to pin them down.

Switzerland--according to the conclusion of well informed sources--does not have terrorism comparable to that in Italy or the FRG. There are no indications of groups which operate on the illegal level within Switzerland. On the other hand numerous persons are known to the police as suspected supporters and sympathizers of foreign terrorists. Furthermore, our country is undoubtedly being used as a way station, and it has already been the scene of criminal acts designed to provide logistics for foreign groups (identification papers, arms, explosives, money).

9410

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## NUMERICAL BREAKDOWN OF 1980 BUDGET ALLOCATIONS

Istanbul GUNAYDIN in Turkish 2 Dec 79 p 5

[Text] According to the 1980 Fiscal Year Budget Bill, revealed by the Finance Ministry, the largest increase in allocations over last year is in State Planning Organization allocations. The largest amount goes to the Finance Ministry, which covers the expenses of a number of agencies, followed by 113.243 billion liras in National Defense Ministry allocations. The National Defense Ministry appropriation is 15.6 percent of the general budget. Among the allocations for various offices, the increases noted for their paucity are those in the "investment" ministries such as Communications, Reconstruction and Resettlement, Energy and Village Affairs.

Organization	Budget (millions)	Increase Over Last Year %
Senate of the Republic	369	23.4
National Assembly	1,256	39.9
Presidential Office	172	82.4
Audit Office	451	45.7
Constitutional Court	40	27.4
Prime Ministry	4,216	84.1
State Planning	1,493	528.7
Council of State	245	56.4
High Court of Appeals	242	88.7
State Statistics	757	94.0
Religious Affairs	6,424	104.7
Title Deeds and Cadaster	2,306	86.2
Justice Ministry	13,498	112.2
National Defense Ministry	113,243	74.9
Interior	4,612	114.3
Security Directorate General	17,574	76.2
Gendarmerie General Command	12,315	96.5
Foreign Affairs	3,637	73.3
Finance	340,153	86.5

National Education	87,930	83.0
Public Works	11,738	62.7
Commerce	672	38.4
Health	31,817	81.5
Customs and Monopolies	1,135	31.0
Food and Agriculture	11,348	54.2
State Meteorology	828	83.3
Communications Ministry	5,713	28.9
Labor Ministry	1,162	64.2
Industry and Technology	4,774	32.2
Tourism and Information	2,765	5.1
Reconstruction and Resettlement	6,590	48.1
Village Affairs	21,118	26.4
Directorate General for Land and		
Cadastre Affairs	1,108	2.9
Energy Ministry	6,734	21.6
Forests Ministry	2,439	98.4
Youth and Sports Ministry	531	24.3
Culture Ministry	4,210	69.4
Social Security Ministry	109	17.7

Total: 725,746,844 Turkish liras

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## RPP SAID LOCKED IN INTERNAL STRUGGLE

Istanbul CUMHURIYET in Turkish 10 Nov 79 p 5

[Article by Fusun Ozbilgen]

[Text] Because the intra-party opposition wings became preponderant within the National Assembly group after the RPP's extraordinary assembly, intra-party debate has once again begun to turn into a general administration versus group clash.

Symptoms of the dispute between the general administration and the party groups were first seen at the group vice presidency elections when these groups stopped the elections from being held prior to their final decision on their own nominees.

Because the number of deputies and senators in the RPP opposed to headquarters is greater than those supporting it, it seems impossible for the Executive Board to force the Assembly groups to accept its decisions or for it to make its influence felt in elections. Intra-party opposition wings, on the other hand, are calculating on leaving the party administration in a difficult position by acting in unison against headquarters during group meetings.

Because the intra-party opposition will dominate both in the group administration and in the election of committee members, it has become apparent that it will influence all RPP efforts in the parliament. In this case, decisions relating to parliamentary work of the RPP's Executive Board and the formulation of policies will be able to be implemented only if adopted by the intra-party opposition.

It will be possible for the party administration, in line with policies it has established, to make a binding decision prior to certain votes on the direction of the groups' voting only if the opposition wings find it appropriate.

The situation has been explained by some opposition deputies in this way: "Henceforth, they will look after party and organizational matters, but we will decide on what type of action is to be taken in the parliament."

As we all know, the decision-making body for all the parliamentary work of RPP is made up of the group administration committees and the group general committee. In these committees, domination by the opposition will lead to decisions that are in line with the opposition's wishes.

#### First Example

The first example of this situation came about during the election of group administrators. Another example, it is explained, will surface during the upcoming term, over the attitude that is to be adopted in the parliament toward the government which will be formed by Demirel. Should the RPP administration wish to decide on supporting this government, the group could make a binding decision to force the administration to vote negatively. It is thus explained that clashes would be unavoidable during the function of the mutual committees where these types of decisions will be made.

#### Group Administrators

The first conflict between the RPP administration and the intra-party opposition in group meeting started during the election of group administrators. Following the extraordinary assembly, the next morning, opposition groups did not attend the meeting where group administrators were to be elected; due to the absence of a majority the meeting could not be held.

Because of the opposition wing's inability to come up with their own nominees, group administrators asked for the postponement of the elections until the following Tuesday. Istanbul's parliamentarians, especially, had left Ankara because they had decided not to attend the meetings. But, Chairman Ecevit insisted on the immediate election of the group administrators, and when the group could not meet on Tuesday, a call was made for a meeting on Wednesday. The opposition did not attend this meeting on Wednesday either and there was no majority. Then, all the congressmen who share the same views with headquarters were brought to the meeting and due to the presence of some of the opposition congressmen a majority could be attained Thursday morning.

#### Headquarter's Nominee

During the meeting, the headquarter's group nominated Kars congressman Hasan Yildirim for the Group Vice Presidency. As for the opposition, because they had not decided on a final nominee they entered more than two candidates. Thus, the votes were split and even after three ballots no one was elected.

The opposition wings will meet jointly until Tuesday to determine their candidates and it is reported that on Tuesday the group administration will be arranged in the manner requested by the opposition. It is expressed that, later, the RPP's nominees to the committees of the National Assembly will also be produced in this manner.

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## RPP HEADQUARTERS MOVES TO PURGE ISTANBUL PROVINCE BOARD

Istanbul DUNYA in Turkish 9 Dec 79 pp 1, 7

[Article by Onder Senyapili]

[Text] Ankara (DUNYA) -- While RPP headquarters declares at every opportunity, "There is no question of a purge, at no time has a purge been considered," efforts are going forward to dissolve the Istanbul Province Executive Board. A temporary board will be installed after the present one is dissolved.

According to the information obtained, the task of directing preparations for the dissolution procedures was given to General Executive Board Accountant Ilhan Biber and Istanbul National Deputy Ilhan Ozbay. It was pointed out that General Chairman Ecevit is keeping close tabs on the efforts. Unseating the RPP Istanbul Province Organization is said to be a momentary problem. The general executive board will reportedly meet within the week and the decision will be made final. It is said, in this context, that General Secretary Ustundag does not want the Istanbul Province Executive Board removed from duty and is resisting, that he has apprised General Chairman Ecevit of his opposition and there he is "being treated more coolly" by the general chairman. A member of the RPP opposition wings whom we asked about this said:

"Seeing that this period is over, Ustundag does not want to be involved in this final disgrace and is not casting a vote, but the general chairman is pressing. Therefore, what the general chairman wants will happen."

Interparty opposition circles say that the intention is to ensure that approximately one-third of general board delegates will be "headquarters men" if, after Ankara and Izmir, the Istanbul Province Organization is handed over to a pro-headquarters administration. "As long as these anti-democratic practices go on within the party, the RPP has no chance of carrying out its duty as major opposition party or of contributing to the furtherance of democracy in the nation," they say.

It seems that, with the purge of the Istanbul Province Executive Board next week, will come new agitation in the RPP, which managed to choose its second group vice chairman only after a month of hard work.

## IRAQ SUDDENLY CANCELS 50-MILLION DOLLAR CONTRACT

Istanbul MILLIYET in Turkish 21 Nov 79 p 12

[Report by Emin Colasan]

[Text] Iraqi government, without reason, has cancelled a 50-million dollar highway building contract that the Turkish KGM (Highways Directorate General) has been anticipating and has stated that, in December, they would again accept international bids for a new contract. The decision of the government of Iraq was reported to the Ministry of Foreign Affairs by telex. The Foreign Ministry is continuing its initiatives regarding this issue.

During the earlier part of this year, Iraq had invited international bids for a 116-kilometer desert-pilgrimage highway project that would connect that nation with Saudi Arabia. KGM, one of the participants, was the lowest bidder. At the same time, Minister of State and former Deputy Prime Minister Hikmet Cetin spoke with the head of the Iraqi government, Saddam Huseyin, personally and asked that the contract be given to Turkey. Some other political efforts at higher levels were also made towards this end.

In addition, some technical work has been carried out since June in order to secure the desert pilgrimage highway contract and an agreement draft has been prepared with the Iraqi officials.

At the brink of certain formation of the Demirel government in Turkey, a teletype message was received from the Iraqi government at the Ministry of Foreign Affairs which indicated that the roadway contract had been cancelled.

No reason was given for this action and the KGM was told: "If you wish you may submit another proposal for the new contract bidding which will open in December."

If the Iraq desert pilgrimage highway contract had been awarded to the lowest bidder, the KGM, our nation would have earned in the vicinity of 50 million dollars of foreign currency and this would have spawned new attempts by public establishments to open up to the outside world in exchange for foreign currency and moreover, the possibility of Turkey building other highways in the vicinity of this highway would have increased.

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## BILL TO ESTABLISH GENERAL COMMAND FOR COASTAL SECURITY

Istanbul MILLIYET in Turkish 9 Dec 79 p 9

[Article by Bulent Eskinat: "New Command Forming to Prevent Arms Smuggling"]

[Text] Ankara -- With anarchy steadily increasing every day, new bills have been prepared for the express purpose of preventing the smuggling of arms into the country, it was learned. According to the information received, the Interior Ministry has drawn up a bill for the formation of a "coastal security general command" and has presented it to the Council of Ministers. Another bill in preparation increases the authorities of the governors and commanders in provinces of the border regions and makes it possible for them to declare "restricted areas" where they find it necessary.

According to the bill designed for the protection of our coasts, territorial waters and the waters concerning us as a state, a marine police force will be established to perform this service and it will be called the "marine gendarmerie."

Interior Minister Mustafa Gulcigil gave a statement to MILLIYET yesterday on the prevention of anarchy in which he maintained that the "anarchy definitely has external roots" and said, "The anarchists in Turkey find cover in the municipalities, in the public sector and in the Public Economic Enterprises and are nourished there."

Remarking that "anarchy rises from separatism and attacks aimed at dividing the Turkish state," the minister said, "The anarchy definitely has external roots." He continued:

"The root of the anarchy is absolutely outside and there are branches of the root in Turkey. Our duty as interior minister is to find and destroy these branches and break the cycle. We will do this."

Maintaining that "anarchy has invaded the state offices," Gulcigil said, "Anarchy and anarchists have found nests in many places in the state offices and are fed there."



Interior Minister Gulcigil made the following statement:

"Even the police have been split. Anarchy has invaded them through associations known as Pol-Der [Police Association] and Pol-Bir [Police Union]. The state has reached the point where its police fight with one another. In many state offices, subversive and anti-state elements have organized.

"These Pol-Der and Pol-Bir have now been shut down in the provinces under martial law. But we will take the necessary steps to close these associations completely so they cannot reopen in the provinces without martial law or if martial law is lifted in the future."

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## MARTIAL LAW COMMAND SENDS WARNING NOTE TO TRT

Istanbul HURRIYET in Turkish 9 Dec 79 pp 1, 8

[Text] Ankara (HURRIYET) -- The Ankara Martial Law Command sent a letter of warning to the TRT [Turkish Radio and TV] Directorate General, calling for care to be shown in all radio and television programs. The martial law command stated in its letter that the "current extraordinary circumstances should be taken into account and elements in programs which convey separatist and regionalist sentiments should especially be avoided."

The TRT general directorate carefully studied the martial law command's 6 December 1979 letter and, after designating it a secret bulletin, circulated it to all branch directors. Branch directors called meetings of their employees and gave them detailed information on the letter, stressing the phrase, "at a time necessitating the utmost care by the nation."

TRT television programs reportedly will be more carefully screened from now on, and the news units also will review "radio and television news" before broadcast.

Supervisory echelons will be involved in programming from now on within the framework of principles contained in the martial law command's letter.

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## ISTANBUL SECURITY SYSTEM MODIFIED TO INCREASE EFFECTIVENESS

Istanbul TERCUMAN in Turkish 9 Dec 79 p 12

[Article by Levent Cevik]

[Text] Eighty motorized teams consisting of 286 officers and men attached to the Istanbul Security Directorate's Public Security Branch have been attached to district security authorities. There will be 8 "operation teams," consisting of 40 officers and men, under the Public Security Branch Teams Authority.

The increase in the number of regional police teams now on duty was implemented by order of the First Army and Martial Law Command. The 80 teams attached to the 14 district security authorities reportedly were planned "to allow momentary response to anarchic and routine incidents and to facilitate better patrol of the regions" by means of the new operational system.

## Distribution Puzzling

Meanwhile, it is suggested, as the new operational system for police teams is begun, that Pol-Der [Police Union] has a finger in the distribution of teams and selection of the "operation teams" and is acting in a partisan way. It is also of note that the distribution had a shock effect on the 286 policemen assigned to the district security authorities.

According to claims, the First Army and Martial Law Command asked two assistant directors of the Second Department to make up "distribution lists" after giving the order for the distribution of teams to the districts. The lists which these two directors drew up were given to superior officers, but were seen to have been completely changed when announced later.

Appointed to certain operation teams which were designated for key roles in many events and all areas of the city are three police officers who were arrested earlier for putting up Pol-Der posters in the streets and persons allegedly involved in a number of incidents.

## SABOTAGE REPORTED AT HASAN UGURLU POWER STATION

Istanbul CUMHURİYET in Turkish 11 Nov 79 pp 1, 11

[Text] It has been determined that the energy lines of the Hasan Ugurlu hydroelectric power station, which was to start production within the next few days have been sabotaged. It has been learned that the cables that connect the power station to the national electrification system have been cut. While an investigation of the incident is being conducted in secrecy, strict security measures have been taken in and around the power station.

Minister of Energy and Natural Resources Deniz Baykal has confirmed the reports of sabotage and has stated that it is still being investigated. Baykal had this to say concerning the sabotage: "Some time ago it came to light that the power lines had been cut. Repairs were delayed because of the difficulty in finding cable of the same width. All entry to and exit from the power station and its vicinity is under control. The necessary measures have been taken to prevent any new sabotage attempt."

How was the incident discovered?

The sabotage at the Hasan Ugurlu hydro-electric power station, which began its trial run on October the 29th, surfaced as it was being connected to the national power network. As a result of an investigation that was conducted upon the discovery of a malfunction in the power transmission lines, some of these lines were found to be cut. The power station was not put into operation because of the damage found on the special cables used for power transmission.

The special investigative committee, formed after the incident, so far has not come up with any results. As the investigation continued, strict security measures were taken in the vicinity of the power station and the dam.

It has been reported that the power station, which was completed toward the end of November and was expected to start full operation, will be out until repairs on the cut cables are completed.

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## 'CUMHURİYET' COMMENTARY ON GUN SMUGGLING SUSPECTS

Istanbul CUMHURİYET in Turkish 9 Dec 79 pp 1, 11

[Column by Ugur Mumcu: "Our Debt of Honor"]

[Text] I read an interesting report squeezed into a corner of the newspaper recently: "Italian police have uncovered a 30-member narcotics smuggling ring, composed mostly of Turks, using the Orient Express." According to information obtained from the Italian police, heroin with a market value of approximately 1.25 billion liras was confiscated in a search of four Turkish women. The Italian police reported that the narcotics were being sold in exchange for arms.

I wrote in this column recently about an arms smuggler named Ibrahim Telemen who had written to me, accusing a lot of people of smuggling arms. I wrote that Telemen had given a time and place to meet me but had not come to the meeting, that he had committed suicide some time later by jumping from a window of the Opera Hotel in Istanbul, that the suicide had been considered suspicious and an autopsy requested, but that a thorough autopsy had revealed nothing.

The fact that Telemen committed suicide, or was murdered, one day after ripping off the Istanbul Martial Law Command completely alters the importance of the event.

The persons of whom Telemen warned were arrested by the Istanbul Martial Law Military Court, but were released by the First Army Court.

After Huseyin Ugurlu, who was named in the tip-off letter, was arrested and released, he was kidnapped by a group of people, which included his chauffeur, and "ransom" was demanded of his son, Abuzer Ugurlu, who was also named in the letter. Istanbul police caught the kidnappers and released Huseyin Ugurlu. The incident was reflected in the press at the time as, "Leftists kidnap Huseyin Ugurlu."

I do not know whether that is accurate. But Huseyin Ugurlu recently came to the newspaper accompanied by his attorney and talked with me. We had no sooner met than Huseyin Ugurlu said, "Rightists kidnapped me," and



demand;

"Who else would kidnap me?"

Three of Turkey's best-known journalists were with me. We listened with interest to what Huseyin Ugurlu and his attorney had to say. Ugurlu said, "I am not involved in this," and his attorney explained that Huseyin Ugurlu was acquitted when he was tried for "multiple smuggling" in 1974, and, as for the recent arrest, there was no question of evidence of any kind.

What were the names which Ibrahim Telemen gave in the letter he sent to the Istanbul Martial Law Command? Let us look at the "nonjurisdictional decision" no 1979/40874, dated 30 May 1979, of the martial law command's military prosecutor's office and quote from that. The military prosecutor summarized Telemen's letter as follows:

"Ibrahim Telemen sent a tip-off letter dated 25 March 1979 to the Istanbul First Army and Martial Law Command in which [he said] that cigarette smuggling had been used as a cover for smuggling arms and ammunition into the country for the past 7 - 8 years by a gang headed by Kurdish Abuzer and his brothers, Mustafa, Sabri and Ahmet, and which included Mehmet Cantas, known as Seyfettin Orbak, Orfi Cetinkaya, Osman Imamoglu, nicknamed 'Cayirovali,' Hayrettin Yagci, and Avni Karadurmus, nicknamed 'Sari Avni,' and that Haydarpasa Customs Director Ali Galip Kayiran played a role when the goods entered the country."

The names of the suspects in this case are:

Haydarpasa Deputy Customs Director Ali Galip Kayiran, automobile salesman Osman Imamoglu, construction contractor Nizamettin Aytemiz, merchant Mehmet Cantas, hotel owner Haci Mirza, rubber factory owner Mustafa Mirza, room manager of the Kristal Inn Mehmet Ozer, Huseyin Ugurlu, construction contractor Mehmet Tonbul, Seyfettin Orbak, Orfi Cetinkaya, Hayrettin Yagci, Selahettin Gonensoy, Avni Karadurmus, Nedim Diskaya, Mustafa Ugurlu, Sabri Ugurlu, Ahmet Ugurlu and Abuzer Ugurlu.

The attorneys of some of the suspects were military judges in the 12 March period. The hearing judge of the First Army Court who issued the release decision was retired on his request a while later.

I do not know whether these people named above are arms smugglers. The court will decide that. The file is in the hands of the civilian court now.

Former NSP [National Salvation Party] National Deputy Halit Kahraman, who was arrested in possession of heroin in Germany, said in the statement he gave to German police that NSP General Chairman Erbakan and National Deputy Fehim Adak were involved in smuggling. This statement is in the hands

of state authorities. Nationalist Action Party Senator Kudret Bayhan was also seized with base morphine in his possession in France. The recent announcement made by Italian police is about the seizure of 1.25 billion liras' worth of narcotics which were being taken into Italy in order to buy arms.

These are suspicious clues.

Ibrahim Telemen, in his statements on arms smuggling, said that certain political organizations were involved in this smuggling.

I know how dangerous it is to point the finger in these matters. I also know the intent of the criminal provocation that has concentrated on me lately. Be that as it may, I want the Turkish public to know these things and to question and seek answers as to where the 2 billion Turkish liras' worth of arms seized the past 2 years have come from.

To perform this task is our debt of honor.

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CSO: 4907

## WORLD ECONOMY SAID TO NEGATE EXPORT-ORIENTED GROWTH MODEL

Istanbul CUMHURİYET in Turkish 11 Dec 79 p 12

[Article by Uluc Gurkan]

[Text] The industrialized West is trying hard to impose an "export-oriented" growth model on all of the developing countries, including Turkey. The IMF's "stand-by" arrangements are rather concrete documents aimed at this goal.

In an effort realized last year by Kemal Dervis, a Turkish expert at the World Bank, it was acknowledged that an attempt was being made to adapt the export-oriented growth model to the Turkish mold. Also, in the recent World Bank report entitled "Turkey: Growth Without Crisis," the "merits" of this model are listed, though Turkey's fourth plan, which seeks to resolve its problems through rapid industrialization, is harshly criticized.

The Organization for Economic Cooperation and Development, abbreviated OECD, is also involved. The debate which this organization began on the economic policies which must (!) be applied in the medium and long term will be at issue again in the days ahead.

Despite the opposition of SPO [State Planning Organization] administrators, 1978 and 1979 saw the adoption by the Ecevit government of the Western export-oriented growth model. Following the realization of a change in the SPO administration which must have been considered important enough to appoint at least 67 new governors, the model is gaining the workability which was to be expected from the Demirel government.

The Demirel's governments approach to foreign relations confirms this expectation. Suleyman Demirel is seen to be taking care to regain his lost prestige in the West and to overcome Bulent Ecevit's advantage based on the Western social democratic parties. Even though acting on a just rationale, he did not give the ministry to Yilmaz Ergenekon, who had shouldered the task of applying the "convertible foreign exchange accounts, which were not welcomed in Western financing institutions.

Turgut Ozal, who enjoys the respect of World Bank, Japanese and American business circles and is, himself, among Turkey's leading businessmen, was appointed deputy prime minister, serving alongside the SPO administration. Such diplomats as Melih Esenbel and Oguz Gokmen, who are well known in Western capitals, have been assigned special missions in Turkish-U.S. and Turkish-EEC relations.

In addition to all these developments, the export-oriented growth model reflects the choice set forth in the government program. Yet, the development of the world economy renders this model invalid.

#### World Economy

The industrialized Western nations are not expected to achieve in the near future the growth rates they have enjoyed in past years. Information on U.S. and European growth rates confirms this.

Reflections of the stagnation experienced in the West cannot be avoided in the developing nations in the Western sphere. The worsening balance of payments problems of the developing nations, which are also affected by rising oil prices, keeps them even farther behind the industrialized nations as to growth rates.

The negative effects on employment and foreign trade of the slump in the capitalist world are clear. The extent of this slump is seen in the table, which summarizes data on world exports in the past and expectations for the future. Examination of the table reveals that the export chances of the developing nations can only be worse after the stagnation which world trade is entering.

Predictions that the developing nations' share of world trade in 1990 will remain at only the 1976 level, regressing even further in comparison to 1960, negate the Western export-oriented growth model. Heading the facts corroborating this judgment is the "protectionist" trend being seen in the industrialized nations. The largest exporters among developing nations, South Korea and Hong Kong, have been forced to reduce their exports to the United States to below 1976 levels.

Excluding this type of restrictions on exports, non-tariff obstacles are estimated by GATT to be costing developing nations about \$50 billion annually in exports they are unable to make to industrialized Western nations. This amount is approximately 5 percent of the world trade volume. The value of Turkish textile products not allowed to enter EEC countries alone is close to \$100 million.

It looks as though protectionist trends will increase in future years in parallel with economic stagnation and unemployment in the industrialized West. In this case, it is clear that export-oriented growth efforts alone will not have too much meaning for developing nations.

Relying on foreign credit for accelerating their growth does not appear to be a valid method for the developing countries. The developing countries which meet their payments balance deficits by borrowing had a foreign debt load of \$74.1 billion in 1970, exceeding \$400 billion in 1979. While the share of export credits in this total dropped from 35 percent to 29 percent, free market loans rose from 16 percent to 40 percent. In our present climate, when state-to-state aid has declined from 39 percent to 25 percent, loan conditions for the developing nations are growing stiffer and taking on a political cast. As a result, imports of necessary intermediate and investment goods are being restricted. What we see is that the developing nations have no choice but industrialization in the true sense.

#### Development of World Exportation

(average annual change, %)

	1960 - 1975			1976 - 1990		
	World	Industrial Nations	Developing Nations	World	Industrial Nations	Developing Nations
Oil and energy	6.7	4.5	6.3	3.1	3.3	3.2
Other primaries	4.4	5.1	3.7	3.3	3.3	3.3
Finished products	9.1	9.1	12.7	7.0	6.5	10.9
Total trade	7.4	7.8	6.3	5.7	5.9	6.1

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